

Weekly Compilation of
**Presidential
Documents**



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Editor's Note: The President was en route to Hawaii on November 15, the closing date of this issue. Releases and announcements issued by the Office of the Press Secretary but not received in time for inclusion in this issue will be printed next week.

WEEKLY COMPILATION OF

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Week Ending Friday, November 15, 1996

The President's News Conference

November 8, 1996

Chief of Staff Transition

The President. Good afternoon. Please be seated. Before I begin I'd like to ask the Vice President and Leon Panetta and Erskine Bowles to join me up here. In no particular order. *[Laughter]*

Let me begin by once again thanking the American people for the honor they have bestowed upon me and the responsibility they have once again placed in my hands. I will work hard over the next 4 years to uphold their trust, to protect our shared values, and to meet our common challenges.

To do that, I want our administration to be able to serve the American people as well in the next 4 years as we have in the past 4. I must, therefore, begin by announcing that Leon Panetta, who has been my Chief of Staff since 1994, will be resigning to return to California.

I understand why he wants to return home, after so many long years and long hours, but that doesn't make it any easier for me to see him go. No one in recent memory has better served the administration—any administration—or the American people than Leon Panetta in what is perhaps the most difficult of all the jobs in public service in Washington today.

As a civil rights official, a distinguished Member of Congress, an OMB Director, Leon Panetta brought his sharp mind and his huge heart to bear on every task he ever undertook. He became my Chief of Staff at a difficult time. He leaves with a remarkable record: deep reduction in the deficit, millions of new jobs, a strong defense of programs for those in need, including food stamps. All these bear Leon's stamp.

Just as important as the work he did was the way he did it. He saw our White House staff as a family. They returned his devotion.

His easy laugh and his level head kept our priorities straight and our spirits up.

He and I have often had the opportunity to wonder at the miracle of America that took us this far. He is a child of immigrants who came to this country in search of a better life and found it in the walnut groves of California. He has become my great friend, more than my countryman, more than my fellow Democrat, more even than my fellow worker. In the language of his people, he is my *paisan*. *[Laughter]* And I love him very much.

To Sylvia, Christopher, Carmelo, Jim, Elizabeth, Christina, and the grandchildren, Michael and Elizabeth, I know how proud he is of you, and you must be very proud of him.

To succeed Leon Panetta, I wanted someone of stature, intellect, dedication, drive, and the capacity to do this virtually impossible job, both a manager and a leader. I'm proud to announce that I am naming Erskine Bowles as the next White House Chief of Staff. He's combined brilliant business success and dedicated public service. As an investment banker, he recognized that our successes come not just from our big firms but from small and medium-size ones—entrepreneurs with energy and ideas he worked hard to give the opportunity to start new businesses and to expand the ones they were running.

When I became President, I wanted to transform the Small Business Administration from a political backwater to an engine of economic growth. Erskine Bowles did it beyond my wildest expectations. He revitalized the SBA. He doubled the loan volume. He dramatically increased loans to women and minority business owners, even as he cut paperwork and trimmed bureaucracy.

I then asked him to serve as the Deputy Chief of Staff. He was one of those most responsible for bringing focus and direction to our efforts. Quietly, behind the scenes, he

led our effort to educate the public on what was at stake in last year's budget fight. Through it all, he became my close friend and trusted adviser. He returned to North Carolina last year to be with his family, to start a new business, and continue his work for the Juvenile Diabetes Foundation, which he had previously served as president.

I know how much Erskine Bowles loves private life. I know that I have asked from him a real sacrifice, and not only from him but also from his wife, Crandall, and his children, Sam, Anne, and Bill. But his country needs him, and I need him. I have absolute faith in his ability to do this job. He will bring discipline, focus, and deep values to the work. He will help us finish the job the American people sent us here to do. In a sense, this is a homecoming for him, for Erskine is a part of our family here, and I'm happy to have him back.

As Leon will tell you, I expect a lot of the Chief of Staff. I kept Leon Panetta up until 6 o'clock in the morning election morning playing hearts. *[Laughter]* Yes, Erskine Bowles can play hearts. *[Laughter]* He also plays golf, but he plays golf better than he plays hearts; I prefer to focus on his hearts playing. *[Laughter]*

It has become more apparent than ever that our country is moving forward with confidence and vigor toward the 21st century. It has become more apparent than ever since the election that the American people want us to fulfill our responsibilities as Democrats, Republicans, and independents second and Americans first, to set aside our differences and join hands to make the most of this moment of possibility.

That's how we achieved so much at the end of the past Congress. Just think of what happened: historic welfare reform, a minimum wage increase, dramatic expansion of pension opportunities for people in small businesses, the adoption tax credit, the extension of the Brady bill to cover incidences of domestic violence, the Kennedy-Kassebaum health care reform bill that lets people keep their health insurance as they change jobs or when someone in the family has been sick, an end to the drive-by pregnancies and deliveries where people are kicked out of the hospital after only 24 hours, help for families

with mental health needs, and assistance to Vietnam veterans' children with spina bifida. All this happened and shows you what we can do if we work together to give our people the tools they need to make the most of their own lives.

It's a good sign for America that all parties now say they want to reach common ground. And I want us to forge a partnership to produce results for the American people. On Tuesday our people voted for the ideas of the vital American center. Now let us make that vital center the place for the vigorous actions to move us into the 21st century.

We should begin with our most pressing challenges: balancing the budget, giving our children the world's best education, opening wide the doors of college to everyone willing to work for them, finishing the job of welfare reform, passing real campaign finance reform.

Nothing is more fundamental than balancing the budget. Our progress has already produced lower interest rates, steady growth, expanded homeownership. Now we must keep our economy going steady and strong by finishing the job of balancing the budget in a way that truly reflects our values. I am inviting the bipartisan leadership of Congress to meet with me next week here at the White House to discuss how we can develop a plan together to pass a balanced budget and to keep our economy going. I've asked Leon Panetta and OMB Director Frank Raines to coordinate this effort.

I want these negotiations to cover a broad range of issues involved in balancing the budget, including strengthening the Medicare Trust Fund, cuts in spending, and a tax cut. I believe our highest priority must be education, especially college opportunities. As I told the American people, we should make the 13th and 14th years of education as universal as a high school diploma is today. So I will work to see to it that this balanced budget includes the education tax cuts I outlined during the campaign, which had very broad and overwhelming support among the American people.

I will also discuss with the congressional leadership how we can enact bipartisan campaign finance reform as soon as possible. We clearly have a unique moment of opportunity

now, when the public and you in the press are focused on this issue. Now is the time to seize it, before the moment fades. The American people will be watching to see whether our deeds match our words.

The lesson of our history is clear: When we put aside partisanship, embrace the best ideas regardless of where they come from, and work for principled compromise, we can move America not left or right but forward. That is what I am determined to do.

Now, I want to take your questions, but first I'd like to give Mr. Panetta and Mr. Bowles a chance to just say a few words.

[At this point, Leon Panetta and Erskine Bowles made brief remarks and left the podium.]

The President. Thank you. This is an inauspicious beginning; you're leaving me in my hour of need. *[Laughter]*

Go ahead. Sorry.

Trust and Campaign Finance Reform

Q. The election is over; you do have the support of the American people for a second term. But some questions remain. One of them is, how do you explain the obsession with fundraising, especially from dubious Asian sources, and how do you overcome the image created by your opponent that you are a President who cannot be trusted?

The President. Let me answer the second question first. I think the American people, since they've been hearing this for 5 years, took a long, hard look at it, and they measured that against what they saw in terms of the work of this administration, in terms of the people who were laboring hard to make their lives better, and in terms of the President. And I think they made their judgment that I have worked hard for them, I will keep working hard for them, and that that is my motivation for being here. And I think that they gave me their trust, and I'm going to do my best to be worthy of it.

Now, with regard to the contribution issue, the Democratic Party and the Republican Party raised a lot of money under the rules which now exist. The Democratic Party received over a million different contributions in 2 years. They determined two things. One is that a relatively small number of them—

I think—I don't know exactly what the number is but quite a small number out of a million—they should not have taken, and they have returned them. They also—the Democratic Party said that they thought they should have a tighter screen on contributions when they come in, and they've implemented improvements so that they won't receive contributions they shouldn't if they can determine it at all. I think that's a good thing.

I think the Republican Party should have the same rules. But the real thing that I would say here is—I'd like to make two other points. First, and far and away the most important point, is that this has shown us once again that our campaigns cost too much, they take too much time, they raise too many questions, and now is the time for bipartisan campaign finance reform legislation.

I supported the McCain-Feingold bill last year. The leaders of the other party did not, and it did not pass. Today I reaffirm my support for McCain-Feingold, and I am prepared to do whatever is necessary to pass it as soon as possible with an amendment that our party has agreed to, saying that we should not have contributions from foreign nationals who are otherwise—who can legally give money now. I am prepared to do that.

I called Senator McCain yesterday and Senator Feingold; I had a good conversation with both of them, and I asked them for their best advice about where to proceed. I assured them that I would support this legislation, that our party would support it, and that we had more than enough votes in our caucus to guarantee it an overwhelming victory. So the question now is basically for the leaders of the Republican majority in Congress, whether they will support it, either right now or as soon as we come into session next year. But I am prepared to go forward, and I think that's the most important thing.

Now, let me just make one final comment. A lot of, I thought—questions had been raised about these contributions, and any questions that had been raised, we should do our best, the Democratic Party should do its best to answer; any questions you ask of us, we should do our best to answer. But there was a—in your question and in a lot of the things that have happened in the aftermath, there is an almost disparaging ref-

erence to Asians. And in the last few weeks, a lot of Asian-Americans who have supported our campaign have come up to me and said, "You know, I'm being made to feel like a criminal. All these people are calling me. And I say, 'Why are you calling me?' They say, 'Because you have an Asian last name.'" And I—maybe I don't need to do this, but I would like to remind everybody here and throughout the country that our country has been greatly enriched by the work of Asian-Americans. They are famous for working hard for family values and for giving more than they take. And I, frankly, am grateful for the support that I have received from them.

And so I just want to make that clear. I think that there's been a lot of rather—I don't mean that you did, Helen [Helen Thomas, United Press International], but there has been a lot of rather disparaging comments made about Asian-Americans. And it's—ironically, I found it surprising that our friends on the other side did because historically they have received more votes from Asian-Americans than we have.

Q. May I say as a point of rebuttal, I certainly didn't mean to disparage——

The President. I know you didn't.

Q. No, but also—there was also the question of whether the Indonesian contributions may have affected our policy toward——

The President. Well, now that's a different—the answer to that is, absolutely not. Indeed, look at the difference in my policy and my predecessor's policy. We changed our policy on arms sales because of East Timor, not to sell small arms. And we co-sponsored the resolution in the United Nations in favor of greater human rights for East Timor. And I'm proud that we did that. So I can tell you categorically that there was no influence.

By the way, all kinds of people talk to me about policy. Polish-Americans, Hungarian-Americans, Jewish-Americans, Irish-Americans talk to me about policy. Citizens that I—people I meet around the world in the course of my travels on your behalf talk to me about it. But in the end, I always do what I believe is right for the American people.

Terry [Terence Hunt, Associated Press].

Q. Mr. President, Attorney General Reno is considering whether to appoint an inde-

pendent counsel to investigate these allegations of improper fundraising by your campaign. She says that she's——

The President. Wait, wait, wait. There have been no allegations about improper fund——

Q. Well, by the Democratic——

The President. That's correct, by the Democratic Party.

Q. She says that she's caught between a rock——

The President. That was the other campaign that had problems with that, not mine.

Independent Counsel and Attorney General Reno

Q. General Reno says she's caught between a rock and a hard place and that she'll be criticized no matter what she does. I know that it's her decision, but what do you think? Do you think that these allegations should be investigated by an independent counsel? And secondly, do you think that General——would you like to see General Reno stay on for a second term?

The President. I think, on the first question, I should have no comment on that. On the second question, I should have no comment on any personnel decision until I have had a chance to meet with the Cabinet members in question and work through all the decisions. And I think I should have a uniform policy on that, which I have followed to date and which I will continue to follow.

Wolf [Wolf Blitzer, CNN].

John Huang and James Riady

Q. Getting back to the first question, Mr. President, a lot of questions have been raised, though, about your personal relationship with John Huang, who was the DNC fundraiser who went out to the Asian-American community and raised some of the money that had to be returned, as well as with the Riady family in Jakarta, James Riady in particular, who came to the White House on several occasions. What exactly was your relationship with John Huang and with the Riady family?

The President. I believe the first time I met John Huang—I believe—was several years ago in Taiwan when I was a Governor on a trade mission. I believe that is correct.

He might have a better memory than I do, but I think that's right.

I met James Riady when he came to Arkansas to live and work when he was partners—when his family and his family's business group were partners with the Stephens interest in Arkansas, in a bank there. And he and his wife lived there, and I got to know them several years ago.

So I have known both James Riady and his wife and John Huang and his wife for several years. And I knew them primarily in the context of my work as Governor, both inside Arkansas in dealing with the economic issues within the State and then in my work as Governor of Arkansas and going to Taiwan—which parenthetically is one of the biggest purchasers of soybeans, which is a big product in my home State, of any country in the world. So I was there quite often, I think five times during the course of my governorship. And that's how I knew them.

So I had a personal relationship with them that went back several years, and long before there was any politics or even contributions or anything like that involved. I had known them for several years.

Q. Was it a mistake for you to appoint John Huang to a Commerce Department position, Assistant Secretary of Commerce, given the relationship he had with the Lippo conglomerate in Indonesia and his business interests in the past?

The President. Well, I don't believe so. As soon as—I don't think so, not as long as the clearances and the search of all the records and the business disclosures, if they were all appropriate. You know, there are all kinds of standards for that, that anybody who gets an appointment that they have to be confirmed for has to meet. And if they were, I wouldn't say so.

I mean, keep in mind, one of the jobs of the Department of Commerce, and perhaps one of the most important jobs now and one which Ron Brown did very well, is to open new opportunities for American businesses around the world, to open new markets for American businesses, to create jobs by doing that. And one of the great advantages the United States has over virtually every other country in the world is that we have living here in our country citizens who are from

everywhere else and who have business ties and contacts and deep understandings of the cultures and the economies of every other country in the world.

And so assuming that all the proper disclosures were made and all the proper clearances were had—I mean, the Government has rules for that—I would think that that's the sort of person we would be looking for, someone who did have good contacts and could—and did have a general understanding of international commerce.

Yes.

Bosnia

Q. Yes, Mr. President, thank you. Despite your promises earlier to pull out of Bosnia next month, the Pentagon now says that U.S. troops will remain there at least until the end of March. Is it possible you would keep U.S. troops there beyond March as part of a follow-on peacekeeping force if NATO decides they are needed?

The President. Well, let me explain, first of all, what the March deadline is. We have already begun moving some people out, and the December—we said that the mission, the IFOR mission, would take about a year. But as the Pentagon can explain in greater detail and specificity than I, you can't just up and pull people out in one day. There has to be a phase-down, and people have to be brought in to help move out the people that have been there the whole time. So the March date is just the time the last people who are part of a 3½ month phase-down will leave.

Now, separate and apart from that, NATO has been asked to consider the question of whether—well, let me make one other point. IFOR went there to establish a buffer zone between the ethnic groups and to make sure that during this time elections could be held and basic security could be maintained along the border areas, not to be actually involved in law enforcement. And I think they've done their job very well. I am very pleased with it. I am very pleased with the cooperation between the NATO allies and Russia and the other non-NATO countries. And I think that it has helped the Bosnian peace process to take hold. And we have had elections. A lot has been done.

What NATO has been asked to consider is whether or not, since the economic reconstruction has not taken hold as fast as we had hoped and there is still, obviously, some hard feelings there between the parties, we should consider a smaller, different force that might have a more limited mission than the IFOR mission that NATO would be involved in. I have taken—I believe the position I have taken on that is the position that the other NATO leaders have taken, the leaders of the other NATO countries, which is, we would like to see the proposed mission; we would like to see what our contribution would be. I want to assess the risks, as I always do, and the possible benefits, and then I will make a judgment.

I took a long look at the IFOR mission. We worked very hard to define it in a way that would guarantee the maximum possibility for success and the minimum possibility of danger to our forces. It has worked very well. Whether we could do this, as I said all along, would depend on what the nature of the mission is.

I'm looking forward to the NATO report; I haven't received it yet. When I do, I will tell you exactly what the recommendations are and what my best judgment on them is. It is conceivable that we could participate, but it depends upon exactly what the recommendation is.

Yes, sir, and then we'll go back. Go ahead.

Second Term Transition

Q. You're in the process of choosing your team now for the next administration. You were criticized 4 years ago for your failure to go ahead with your stated intentions to choose at least one Republican for a top post. You were criticized for putting too much emphasis on diversity, and also for relying too much on friendship. In some case, friends got into ethical problems. Do you feel you must be more tough-minded this time around?

The President. Well, first of all, I think the Cabinet that I've had has done very well, and on average, I believe their tenure of service far exceeds the average tenure of service in the modern era. And I believe that we have proved that you could have diversity as well as excellence not only in the Cabinet

but in the Federal bench, where I've made the most diverse appointments in terms of women and minorities in history and yet they have the highest ratings from the American Bar Association—my appointees do—of any President since the rating system began.

So I don't see a conflict between excellence and diversity. But I would extend that diversity to Republicans as well. I think we ought to try to have a Government that can unify the country. And I did want to put—badly wanted to put a Republican in the Cabinet the last time. I had one in particular in mind who declined for personal reasons who, I think, wanted to serve, and I regret that. So I have not ruled out that; in fact, I have cast a very wide net in looking for people to serve in this administration, and I wouldn't be surprised if we had Republican representation. I certainly hope we will.

Peter [Peter Maer, NBC Mutual Radio]—Rita [Rita Braver, CBS News] was next, and then Peter. I'm sorry.

The First Lady and Former Senator Bob Dole

Q. Speaking of what people will be doing in the next administration, when you ran for your first term you talked a lot about the First Lady's role, but we didn't hear so much about it during this run for the reelection. Can you give us a sense of what she'll be doing in the next term? And also, I wondered whether you have thought about whether you intend to offer Bob Dole any chance to serve.

The President. Well, let me answer the question about Hillary. I think what the First Lady will do is something that—I think it will be consistent with what she's been doing, but we have not—frankly, we've been too tired to talk about it. Yesterday, I'm embarrassed to tell the American people, I actually slept past noon. [Laughter] I was tired. And so we hadn't had much chance to talk about it. But I think that my assumption would be that whatever she did, she would be working on the issues that relate to children and families that she's spent most of her life doing. And so that's what I would think. But we have not had a chance to talk about it.

Q. You once mentioned welfare.

The President. Well, but I think—I must not have spoken all that clearly on that. What

I meant about welfare is this: The welfare reform legislation is law now. Let me just talk about that just a minute, and then I'll come back to your other question. What the welfare reform bill says is this: It says, from now on, the United States Government will guarantee to poor families medical care and nutrition and, if a person moves from welfare to work, then more for child care than ever before. But that portion of the Federal money that used to go with State money into a monthly welfare check will now go to the States, and they have 2 years to figure out how to turn the welfare check into a pay-check.

Now, I think what is important is to recognize that that's all the bill does. Then all the States and all of the communities of this country have to figure out how to do that. And what I think is important is that we all be aggressive in figuring out how to do that in ways that work for the children, not that there should be a role for the First Lady or anybody else, but children's advocates in particular want to make sure that this is a pro-family transition. That's all I meant. And I believe it will be. I feel good about it.

In terms of anything for Senator Dole to do, I think, to be fair to him, even though I am standing up here on both feet giving this press conference today, after a campaign like this, you need time to decompress, whether you win or whether you lose. And I've been on both sides of this in my life. And he said something I really appreciated when we had our personal conversation on election evening. He said, "You know, after awhile, after I get rested up and you do and we get—we'll come by—I'll come by, and we'll have a cup of coffee, and we'll talk about—just have a visit." And I said I'd really like that.

And I think that I would just urge all of you to give him and Mrs. Dole a little space here and let them get rested up and think about their lives and what they want to do. And there will be time for that. You know, Thanksgiving's coming up; Christmas is coming up.

But I can attest to the fact that based on the vigorous campaign he ran, not just in the last 96 hours but throughout, that if he so chooses, he's got a lot left to give his country.

But I think that should be his decision. We should let a little time go by.

Peter.

Investigations

Q. Thank you, sir. As you reflect on the past 4 years and look ahead to the next 4, what are your thoughts about the emotional, legal, and even financial toll that these investigations over the past 4 years have taken and continue to take on people who are very close to you? Do you see any remedy for it, and do you see any end to it?

The President. Well, I think that nearly every objective observer who's looked at it believes that progressively over the last however many years we have tended to turn our political differences into legal battles in ways that have enormous costs, human costs for the people involved in them and for our democracy.

But I think—frankly, I think at this—given the posture in which some of these things are in, I'm not the person to be making recommendations on the resolution of it. There are others who are writing about it. I noticed there was a woman who worked for both Mr. Fiske and Mr. Starr who wrote an article in one of the legal periodicals in the last month or so arguing for some changes in the way these matters are dealt with. There are a lot of people who are troubled by this and are thinking about it.

But I think that—I think that at least for the time being that it's not for me to be the one who's suggesting what should be done. But a lot of people, I think, in both parties who care about it are concerned about the costs of this as compared with any benefit that comes from it.

Q. What are your thoughts, though, on the toll that it has taken on those closest to you?

The President. Well, I hate—I obviously hate that. And the thing I really hate is that, when people that are completely innocent are basically confronted with a presumption of guilt and told to prove their innocence of charges, they're not quite sure what they're supposed to do. It's difficult.

But, you know, right now—and my heart's full of gratitude—I told you that, as far as I'm concerned for me, it doesn't bother me because—I wouldn't say it doesn't bother

me, but it's just part of being in public life today. But we should never be happy when innocent people suffer unnecessarily. That's not good; no one can be possibly for that. So we need to try to seek out people's opinion about what should be done. But I don't think it's for me to be discussing that now.

Campaign Finance Reform

Q. Mr. President, you spoke in your opening remarks about the moment being now for campaign finance reform. In light of the recent controversies in both parties, would you be willing to commit to the idea that campaign fundraising not be done as closed events but be open for news coverage as a means of putting more sunshine on the process?

The President. You know, you're the first person that ever asked me that. Let me just say this; I'll be glad—I'd like to have some chance to think about it. But I've never been asked it before, and I've never thought about it much. But I have—you know, a lot of our fundraisers are open, and most of the smaller events we have are basically round-robin discussions from people who very often come from very different perspectives on issues. But I will think about it; I will give you an answer. I'd like to think about it.

Q. Mr. President—

The President. Go ahead. Sarah [Sarah McClendon, McClendon News Service], I'll come to you next. Go ahead.

Investigations

Q. Getting back to the subject of all these legal investigations, has the First Lady been notified by Kenneth Starr's office that she is either the subject or a target of any of his investigations?

The President. No.

Yes, Sarah—not to my knowledge.

Clandestine Government Activities

Q. How are you going to keep yourself from secrets that other people try to keep from you in Government? I refer to the secrecy that surrounds the Central Intelligence Agency and the State Department and those people in Government—and the Defense Department—who sometimes try to work

and keep secrets from you. How are you going to keep yourself from being insulated?

The President. Well, frankly, the only way to do that—there are only two ways to do that. One is, I have to appoint good people in positions in those departments who are in a position to know what is going on or to find out if I need to know. Or there has to be some external way of knowing, which means that all of you have to find out so that I can either see it or read it or hear it on the news, or we have to have—or some independent commission, if a particular problem or question is hanging out there, should press further.

I think the—let me just say, I think the commission I appointed on Gulf War illnesses has done an exemplary job. And I believe that the Pentagon, in fairness, has also done much better recently. And we have done—as I think all of you know, we have given free medical exams to tens of thousands of people. We have qualified 26,000 people for disability. And we have a lot of various medical tests going on. That all came about, I believe, in large measure because the American people kept demanding a response. And so I put this commission together, and they did their job. And then the Pentagon, as I said—Secretary Perry, having seen the evidence, has moved in an expeditious fashion.

But I think those are the ways—there is never any magic about that. The President has to have good people in those agencies; they have to be able to find out the truth. And then if you do your job, and then if some real big problem arises and a group of citizens can look into it, we normally find a way to make our democracy work.

Ken [Ken Walsh, U.S. News & World Report]. Go ahead, Ken; Ken and then Susan [Susan Page, USA Today]. Go ahead.

Medicare and Budget Negotiations

Q. Mr. President, one of the lingering areas of hard feelings from the campaign is over your and the Democratic Party's attacks on the Republicans over Medicare. Since you're going to meet with the Republican leadership next week, how will you encourage them to be conciliatory and trust you now

over Medicare, given the damage they incurred in the campaign over the issue?

The President. Well, first of all, there are always a lot of hard feelings after every campaign. I mean—I believe that what I said about the Medicare provisions of the budget I vetoed was accurate and true and fair, and I cannot retract that. I do not believe the picture they painted of the budget I passed, which sparked America's economic recovery, is fair. By any reasonable standard, it wasn't the biggest tax increase in history. Average people did not pay as much as they said they paid. I mean, there were lots of problems I had with that. But that wouldn't stop me from working with them on the budget.

So we obviously don't always agree with each other's characterization of our positions. I don't agree with a lot of their characterizations, but that wouldn't stop me from working with them. And I would say that—my answer to you is that the way to put this behind us is to reach an agreement. And I'm prepared to reach out and meet them halfway. And if you—I think the way to go forward is to pick up where we left off.

As I said and acknowledged to everyone, including for Senator Dole, when we ended the budget negotiations, when they had to stop, in fairness to him, because he had to begin his Presidential campaign, at the time when they ended, we were actually quite close to an agreement and the differences between us were entirely manageable. And I could see how we could build a bridge between our two positions that would give us a balanced budget plan.

So the obvious answer here is just to go forward by picking up where we left off, with the Republican position and with our administration's position, and I think we could have an agreement in next to no time. And that would be my advice on that.

Yes, Susan, go ahead, and then I'll take this.

President's Second Term

Q. Mr. President, we know that you're an avid student of Presidential history, and in modern times second terms for Presidents have been either disappointing or disastrous. I wonder if you've drawn any lessons on why that's so—[laughter]—and if there are any

pitfalls in particular that you are determined to avoid for yourself.

The President. Actually, I read a book not very long ago on second—there is a book that's just been written on second-term Presidencies. And I was a little nervous about reading it before the election, but along toward the end I read it. And I got to thinking in my own mind about the second terms of, you know, President Truman's second term, President Eisenhower's second term, and President Reagan's second term, and then the others, in the 20th century especially I focused upon.

What the record shows is that the things which derail a second term are basically three: One is, some external event intervenes, and the President can't fulfill his dreams or hopes or his agenda. Two is—I mean, apart from the obvious case. The second thing that happens is, sometimes a President thinks he has more of a mandate than he does and tries to do too much in the absence of cooperation. That was the rap on President Roosevelt's second term, that his first and third terms were greater than his second term because of that. And the third is that sometimes a President essentially just runs out of steam. That was the rap that was attempted to be put on President Reagan, although I would remind you that in President Reagan's second term he signed the tax reform legislation and the first big welfare reform overhaul, which was quite a good bill.

But—so what we have done to try to avoid that is, number one, make it clear that we understand the American people want us to work together with the Republicans and that we have to build a vital center; and number two, to have a driving agenda for the second term that grows out of what we have done for the last 4 years. That's why I went out of my way at the Democratic National Convention, when I was speaking to the convention and the American people, to list a very long list of specific things I wanted to do, because I wanted an agenda to organize the attention, the spirits, and the energies of people. I think when people stay busy, they do good things. And I think that that will very much help.

So we have a big agenda; we have a driving agenda; we know what we have to do. And

if we keep good, energetic people involved, I think we'll be able to avoid those pitfalls. But I'm very mindful of history's difficulties, and I'm going to try to beat them.

Yes, Jim [Jim Miklaszewski, NBC News], go ahead.

Republican Congressional Investigations

Q. Speaking of hard feelings, as you did just a moment ago, Senator Alfonse D'Amato only yesterday said that the Senate Whitewater hearings were over. And he said the American people didn't want to see Congress going out on any fishing expeditions. What do you make of what Senator D'Amato said, and do you think it signals that Republicans may ease up a little bit on some of the investigations that were aimed at the White House?

The President. I don't know. All I can tell you is, I imagine they will have debates in their party about what they should do. It's clear to me what the American people said. It's clear to me what the people of New York said. It's clear to me what—but even in the States that I did not carry—you know, we lost Georgia by 10,000 or 15,000 votes or something—this country was divided as to just exactly which way to tilt, but they were collected around the idea that we needed to keep making progress but do it by working together from the center. And I think that's what Senator D'Amato recognized. And if that is the majority view within the Republican caucus in the Senate and the House, the American people will be very well pleased by the work we do together, and we will get a lot done.

Q. And would you expect any relief from the Republican investigations?

The President. What I would respect is if we all spent our time and energy working on balancing the budget, on opening educational opportunities, on advancing health care reform step by step, on continuing the fight against crime; the things that we need to be doing together, that's what I think we ought to do. And I think the American people would be elated if we—both sides seem to be putting our politics down, waiting for the next election, and really working like crazy to get something done for our country; I

think they would like it. And I'm prepared to do it, and I hope that they will be.

And I was very encouraged by my conversation with Senator Lott and with my conversation with Speaker Gingrich. And I was encouraged by what Senator D'Amato said. We'll just have to—we'll have to see what happens. I very much hope it will be that way.

Mike [Mike Frisby, Wall Street Journal] and then we'll go over there.

Social Security and Medicare

Q. Mr. President, do you plan on looking at ways to reform the Social Security system in the next 4 years?

The President. Well, I think—that goes back to the Medicare question one of you asked—Ken, I guess. I believe we have to find a bipartisan framework to look at the longer, if you will, the Baby Boom issues presented in Social Security and Medicare. And as I said, I think there has to be some sort of commission, some sort of functioning bipartisan way of looking at that. But that must not be an excuse for any of us, including me, to avoid doing what it takes right now to put a decade of life on the Medicare Trust Fund. In other words, we need to fix Medicare for a decade right now. And we have agreed upon savings that will do that.

And we lost a year last year. Thank goodness it didn't hurt us too bad because the inflation rate dropped so much in medical costs. But we don't need to lose another year. We ought to make an agreement now, put a decade of life on the Medicare Trust Fund, and then agree upon a bipartisan mechanism that could look at what things can be done, which wouldn't be particularly dramatic if we move now, to deal with the problems that Social Security will encounter in the third decade of the next century and the problems that Medicare will encounter when all the Baby Boomers go on it.

But those things can be salvaged and resolved with modest changes if we move now because it's so far into the future. But that kind of a bipartisan mechanism cannot and must not be used to avoid dealing with the Medicare Trust Fund problem that exists right now.

John [John Broder, Los Angeles Times], and then we'll go to—yes, go ahead, follow up, and then we'll do this one, and then I'll go over here.

Q. The last time there was a bipartisan commission to look into the long-term reform of Social Security in 1983, among the reforms that came out was the raising of taxes and the raising of the retirement age, eligibility. Would you be open to those possibilities if that became the recommendation of a new commission?

The President. I think it would be—well, the reason you have a commission is so you don't have to jump the gun on trying to make decisions. But let me mention—let's just—my view is it would be unwise to raise the payroll tax anymore. It is already quite high, and it is a regressive tax. Most of our new jobs are coming from small businesses. If you start a small business, you have to pay the payroll tax whether you make any money or not. You don't have to pay income tax unless you're actually making money. And if you look at the job machine in America and where most of these jobs are coming and you look at the fact that the payroll tax is quite high, I think it would be difficult for us to do it. And I also believe if we start now, it will not be necessary.

In terms of the age, keep in mind, we have already—the '83 commission got an agreement to raise the age from 65 to 67 because when Social Security was instituted the average life expectancy was less than 65. You didn't even have a 50–50 chance to draw Social Security when it started. Now if you get to be 65 in America, you're living in the group of seniors with the highest life expectancy in the world.

So we're going up to 67. I think I would—to go beyond that, the question would be—there are two issues there. One is, could you accelerate the ladder? You know, it's like a month a year now; could it go to 2 months a year? That's one question. The other question would be, if you went beyond that, it might be fine for somebody like me who has always had a desk job, but what about people who have laboring jobs? What about people who really work with their hands and their backs, and would that be too burdensome for them? That would be my concern there.

Go ahead, John, and then we'll come over here. Yes.

Campaign Financing

Q. Yes, Mr. President. When questions came up earlier this afternoon about questionable campaign finance contributions, you took pains to say these were Democratic National Committee matters. But with all due respect, you named the cochairmen of the Democratic National Committee. Much of what they did this year was in furtherance of your reelection and that of other Democrats. Don't you feel some responsibility or accountability for what was done in your name?

The President. Well, first of all, we are doing—I believe that the Democratic Committee is doing the right thing by returning any contributions that were improperly tendered to it. And I certainly feel responsible to do that, and I would not tolerate their not doing it.

Furthermore, I think Senator Dodd and Chairman Fowler did the right thing in trying to, if you will, develop a tighter screen for evaluating it. They acknowledge that they should have had a better screen, that they were—you know, as I said, they took in over a million contributions over 2 years from different people and that they found these relatively small number that were wrong and they should do it. And had that not been done, I would absolutely feel responsible for it, because I am a Democrat and I'm the titular head of the Democratic Party.

So I'm not trying to disclaim responsibility, but I am trying to point out that there is—there's a difference between what the party does and what the campaign does. I'm also responsible for what the campaign does in that sense, but there is a difference. And the party should do the right thing and give any money back but—and I also pointed out again, the Republicans have their own problems here and have had some in both campaign and in party-raising—in Presidential campaigns and in party-raising. But all of them, when you add them up, it's—I'll say something in behalf of the Republicans—if they raise money from a million people over 2 years, it would not surprise me if 10 to 20 of those contributions did not meet the

requirements of the law, or 30, and it would be a small percentage. And that doesn't mean that we ought to run them out of town on a rail.

But what I do know is that if you have to raise this kind of money—and they raised—what did they raise, \$150 million more than we did; they raised \$3 for every \$2 we did—if you raise this kind of money, questions will be raised about it. And the only way to ever put this to rest is to pass campaign finance reform.

We have a vehicle that I think is as good as any. There is no perfect solution to this, because of two Supreme Court decisions, one of which says nobody can limit how much money you spend on the campaign or how much of your money you spend; the other one appears to give a wide berth to these third-party expenditure committees. But still, the McCain-Feingold bill, with a modification to deal with the foreign contribution issue, would dramatically improve things.

Now, I am for it; the Democratic Party is on record for it; the chairman of the Democratic Committee has challenged the chairman of the Republican Committee to endorse it. Senator McCain was very active in Senator Dole's campaign; it is completely bipartisan, and we have enough votes in our caucus in the Senate and the House to contribute to an overwhelming victory. So now, the real question is, whether we get McCain-Feingold is solely within the purview of the leaders of the House and the Senate on the Republican side. If they'll go with it, we will do it lickety-split, and then we'll be able to talk about some other things down the road. Yes.

Q. Mr. President, first of all, congratulations.

The President. Thank you.

Q. President Arafat called on you—

The President. You had to remind me that it was congratulations instead of condolences after this crowd. [*Laughter*]

Middle East Peace Process

Q. President Arafat called on you, Mr. President, to help him move the peace process between the Palestinians and the Israelis, and Mr. Arafat considers the whole situation

as very urgent and serious, due to the fact that there are many settlements which are brewing and Mr. Sharon is threatening to build more settlements in the West Bank before the final settlements with the Palestinians. In light of this and the choking closure on the Palestinians that you are very concerned about—several times you have expressed your opinion and desire to see the Palestinians working and getting everything—what are your immediate plans, Mr. President, to bring about implementation of the Oslo Accords, as well as the Israeli-Palestinian agreement, and all of the signatures that we have done here in Washington, in the near future, sir? Thank you.

The President. I think the first and most important thing we can do is to nail the agreement on Hebron. You know, we were getting very, very close to an agreement on Hebron before Chairman Arafat had to leave to go to his trip to Europe. And I did what I could by bringing Prime Minister Netanyahu and Chairman Arafat here to meet with King Hussein and me. They began to establish at least the beginnings of a relationship of trust and interchange so that an agreement could be made on Hebron.

If we can clear the Hebron hurdle—it has such emotional significance to both sides as well as such practical significance—I believe that will open the door to go on and fulfill all the other challenges that are there before us. That's what I believe.

Yes, sir, in the back.

Social Security and Medicare

Q. Mr. President, on the Social Security-Medicare problem, could you give us a timeline on when you plan to call for organization of a bipartisan commission, and who you would like to see serve on that commission?

The President. I can't, simply because I—it's one of the—how we're going to deal with this is one of literally a hundred items that are on my agenda in this period after the election. All I can tell you is, I think that to deal with the Baby Boom issues of Social Security and Medicare, we need a bipartisan commission, and we need the longest possible timelines so we have to make the least painful possible changes.

But that must not be—let me reiterate—that is not a reason not to go on and balance this budget and put 10 years on the Medicare Trust Fund. We need to do that now. Losing a year last year I think was an error. It may have been unavoidable, but it complicates all of our other balanced budget calculations. We need to go on and do it and start ratcheting down this spending issue.

Go ahead, Karen [Karen Ball, New York Daily News].

Election Results

Q. Mr. President, this is twice now you've been elected with less than 50 percent of the vote. How big of a disappointment was that to you, and is that going to hamstring you now?

The President. Not much. The 379 electoral votes was an enormous consolation prize. [Laughter] And after all, in many of the States that were battleground States, including two that were especially important to me, there were four candidates on the ballot that got substantial numbers of votes, in California and Oregon particularly. And I made a decision the last week that I wanted to go to some of the smaller States where we had some elections in play. And my advisers said, "Now, if you do this, it will cost you a couple a points on your popular margin." I said, "You know, it's the right thing to do, we ought to go out there." People were asking me to come and campaign, they thought it would make a difference, and I agreed to do it. I don't have any regret at all.

I never met a person in public life that didn't wish that he or she had gotten all the votes. So would I have liked a few more? Of course. But I'm very gratified by what happened.

Yes, go ahead.

Australia and New Zealand

Q. You'll be going to Australia in about a week or so. What do you hope to accomplish there? And you're not going to visit its neighbor New Zealand at this time, but will you be reaching out to them to increase the contacts with New Zealand and perhaps invite their ambassador here when they sort

out—their Prime Minister—when they sort out their election?

The President. Let me just say, we have a good partnership with Australia. I have not had a chance—it is vital to our security interests in the area. I have not had a chance to meet with the new Prime Minister. And I'm looking forward to going down there, and it will be a nice thing for Hillary and for me. We have never been to Australia before.

And we've also had a good relationship with New Zealand. And Prime Minister Bolger and I work quite well together. And we'll just have to cross that bridge when we come to it about where we go from there. But I'm feeling—I'm anxious to go down there and do that because our relationships with Australia are a big part of our future in the whole Asian-Pacific region.

Yes, go ahead.

Iraq and Kuwait

Q. [Inaudible]—from Kuwait TV. Congratulations, again. My question is, what would be your administration's policy towards Iraq in order to guarantee and maintain the security of the Gulf area in general and the state of Kuwait in particular? Thank you.

The President. Well, the first thing we will do is maintain our firm policy that we have all along to let the Iraqis know that no action can be taken against Kuwait without dire consequences. When the Iraqi troops were massed, remember, down toward the Kuwait border during my first term, we immediately moved military assets into the area and activated a plan for reaction. And I think that they can be under no illusion that any aggressive action could be taken against Kuwait without a stern response by the United States.

The other thing that I think we're focused on with Iraq, and we must continue to be, is just getting them to comply with the United Nations resolutions. I think that is also very important. I do not relish the suffering of the people of Iraq. The United States was one of the sponsors of the resolution which would allow them to sell oil in return for food and medicine. And when the U.N. can work out the mechanism for doing that in the aftermath of the unfortunate events involving

the Kurds, I think that will go forward. But our policy will be the same. We must contain the ability of Iraq to threaten its neighbors.

Yes, Mara [Mara Liasson, National Public Radio].

Voter Turnout

Q. Mr. President, we just finished an election where turnout was at a record low. I'm wondering why you think that was and what you might have done to make it more interesting or compelling so that more people would have voted.

The President. I could have made it closer, maybe. [Laughter] I don't know. I'm concerned about it, you know, and there are all kinds of—there are explanations you read which may be reassuring, like, "Well, when times are pretty good people maybe not vote;" and explanations you read which are discouraging, "The more the negative ads are, the lower the turnout is." And I saw a very disturbing—one of you on the television—I saw a series the other night about how local campaigns were now becoming also dominated by negative ads.

Let me make a suggestion and say that I do not know the answer to it. I was elated at the enormous turnout in 1992. I felt good about it. But we had signals that this election would be a lower turnout election quite a long while before we had the turnout. And the first indication I had for sure was when the viewership of the debates was so much lower than it was the year before. And you know, we got all our folks together and I said, "We're going to have a hard time getting our folks to the polls, and we need to really work on this."

So let me just throw it back to you and say that I would welcome any analysis anyone has about what we can do to get voting up. I strongly supported motor voter and other attempts to increase the registration base, thinking that that would increase the turnout. We have dramatically increased the number of people who are registered; there's been a huge increase in registration in the last 4 years. And I'm disappointed it wasn't accompanied by an increase in voting.

If you've got any more ideas—I saw Senator Feinstein on television saying that if we had a uniform poll closing, that that would

increase turnout in the Western States. I wish I had a good opinion on it, but I'm open to doing something that will increase it if you all have any good ideas.

Yes.

Press Secretary Michael McCurry. Last question, please.

The President. No, I'll take both of them. Go ahead.

Irish Peace Process

Q. You took some heat during the campaign concerning the troubles in Northern Ireland, particularly from former Secretary of State Jim Baker, who called your trip to Ireland last year "Gullible's Travels."

The President. [Laughter] Did he say that? That's pretty good.

Q. Will you continue to try and assist in finding a solution to Northern Ireland, or do you find that there's just no solution to be had and no assistance the U.S. can provide?

The President. Well, the answer is I will continue to do whatever I can to be of assistance to the Irish and the British Governments as along as they work for peace in Northern Ireland and to the other parties who are committed to peace. I have supported the process which is now underway there. I don't think America could make a greater contribution than to have a man of George Mitchell's caliber there doing what he's doing.

And so I do not think that I have been in error in trying to help the Irish people come to grips with their hundreds of years of demons and put them aside and make peace. I think that we should continue to try. But it's obvious that there has to be a genuine cessation of violence and that all the parties have to be able to rely on one another not to start killing again, either in Northern Ireland or in Great Britain, in order for this peace process to go forward.

But I—yes, I intend to continue to do what I can to encourage it. I stay in close touch with Prime Minister Bruton and with Prime Minister Major and we talk—obviously, our people talk to the parties involved from time to time. And of course, Senator Mitchell keeps us informed. And I would like to—I very much hope in the next 4 years that

we can make some contribution to the ultimate resolution of this.

Yes.

Secretary of State

Q. Thank you, sir. Mr. President, the Israeli-Palestinian peace agreement was the foreign policy pinnacle of your first term. As you seek a Secretary of State, will the first and foremost quality you look for in someone be the person who can get that process back on track?

The President. Well, the short answer to your question is, that will be one thing I look for. And that is one of the most important things that happened in the last 4 years. Continued reduction of our nuclear arsenals, the comprehensive nuclear test ban treaty, the indefinite extension of the Non-Proliferation Treaty, the end of—stopping the North Korean nuclear program, all those things amount—they count for a lot as well.

But if you look ahead, here's what I want a Secretary of State who can do—to do: number one, to continue our efforts to build the first undivided democratic Europe in history, which means to effect the NATO expansion, working with the Secretary of Defense, in a way that solidifies our partnership with a democratic Russia instead of undermining it; number two, to continue to be a force for peace in the Middle East and Northern Ireland, working through the process in Bosnia, and elsewhere; number three, to meet the new security threats of terrorism and organized crime and drug running and the proliferation of weapons of mass destruction and sophisticated traditional weapons; and then to take advantage of the extraordinary economic opportunities for the United States in building a global economic structure that is increasingly more open and fair. That will stabilize the rest of the world and help America's prosperity to continue.

I don't think there is any way to—we don't have any scientific studies of this, but there is no way to calculate the enormous positive impact that the dramatic expansion of trade in the last 4 years has had on the changing mix of the new jobs in America. Over half of the new jobs, our 10.5 million—10.7 million new jobs have come in high-wage areas. There is no question that one big reason is

the disciplined, organized, integrated efforts that have been made in the private and public sectors to expand trade. So I want a Secretary of State that can do all that. I guess that means I want a magician.

One other thing I would say that we've learned from Warren Christopher—I made a reference to this yesterday—he is—his sheer physical capacities are those of a person half his age. You cannot be an American Secretary of State today unless you are capable of withstanding the rigors of intense travel, followed by intense meetings, followed by more intense travel. So it's almost like you've got to be practically athletic to do as well as you need to do. But those are the things that I want.

Thank you very much.

NOTE: The President's 130th news conference began at 3 p.m. in the East Room at the White House. During the news conference, the following persons were referred to: Senator Christopher J. Dodd, general chairman, and Donald L. Fowler, national chairman, Democratic National Committee; Chairman Yasser Arafat of the Palestinian Authority; Ariel Sharon, Minister of Infrastructure, and Prime Minister Binyamin Netanyahu of Israel; King Hussein of Jordan; Prime Minister John Howard of Australia; Prime Minister James Bolger of New Zealand; Prime Minister John Bruton of Ireland; and Prime Minister John Major of the United Kingdom. This item was not received in time for publication in the appropriate issue.

Proclamation 6952—National Farm-City Week, 1996

November 8, 1996

By the President of the United States of America

A Proclamation

In 1840 Daniel Webster said, "when tillage begins, other arts follow. The farmers therefore are the founders of human civilization." We pause each year at this time to express our gratitude to American farmers and the millions of Americans working in agriculture-related jobs, and we recognize the importance of agriculture and the essential role that farmers play in our national life. Intertwined with our national history, culture, and economy, American farms continuously sus-

tain us and people around the world with rich produce and crops. Thanks to the professionalism and care of American farmers, we enjoy an abundance of quality and affordable food.

American agriculture is among our Nation's most vital industries, alone generating more than 15 percent of our gross domestic product. Bolstering our economy with a bounty of healthful foods, American agriculture supports more than 21 million jobs, and agriculture-related industries continue to expand, producing good, high-paying jobs and creating \$1 trillion for the American economy each year.

The success of American agriculture is a testament to the benefits of farm-city partnerships that stretch all the way from the farmer to the consumer, with thousands of participants in between—researchers, extension agents, scientists, agribusiness companies, shippers, inspectors, processors, manufacturers, marketers and retailers, all helping to guarantee Americans a safe, abundant food supply. For more than 40 years, Americans have observed National Farm-City Week in celebration of these partnerships.

During National Farm-City Week, we celebrate Thanksgiving when Americans will gather around the dinner table to count our Nation's many blessings. Among them is America's agricultural richness and the collaboration between rural and urban communities that helps guarantee our rich quality of life.

Now, Therefore, I, William J. Clinton, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim November 22 through November 28, 1996, as National Farm-City Week. I call upon all Americans, in rural and urban communities alike, to join in recognizing the accomplishments of our farmers and all the hardworking individuals who cooperate to produce an abundance of affordable, quality agricultural goods that strengthen and enrich our country.

In Witness Whereof, I have hereunto set my hand this eighth day of November, in the year of our Lord nineteen hundred and ninety-six, and of the Independence of the United

States of America the two hundred and twenty-first.

William J. Clinton

[Filed with the Office of the Federal Register, 8:45 a.m., November 13, 1996]

NOTE: This proclamation was released by the Office of the Press Secretary on November 9, and it was published in the *Federal Register* on November 14.

The President's Radio Address

November 9, 1996

Good morning. Today I want to talk with you about what we can do as a nation to help parents as they try to raise their children. This week the American people came together to say that we are on the right track to the 21st century. They said we must continue to make real our vision to create an America where we offer opportunity to all, demand responsibility from all, and build a stronger American community of all Americans where everyone has a role to play.

At the heart of this mission has been our effort to strengthen America's families. This is work I am determined to build upon these next 4 years. We will continue to strengthen families by creating economic opportunity, so that hard-working parents can provide for their children. To do that, I ask Congress to join with me to finish the job of finally balancing the budget in a way that protects our values. We will continue to strengthen families by helping parents to succeed at work and at home, by giving families safe streets to walk on and communities free from gangs and guns and drugs, and by expanding educational opportunity so that literacy is a given and college is within reach of all Americans.

We will continue to strengthen families by helping parents to protect their children from bad influences that come from outside the home. American parents are working overtime to set good examples only to have the full force of popular culture make their work harder. That's why we gave parents the V-chip and a television rating system so they can keep televised violence and explicit sexuality out of their young children's lives. And

that's why we'll continue our efforts to help parents protect their children from the corrosive, dangerous influences of tobacco and alcohol.

We know the power of tobacco advertising to reach out to children every day and to get them hooked on a habit we know is deadly. Every day nearly 3,000 young people start to smoke in this country, even though it's illegal to sell cigarettes to them. This week we received further chilling evidence why we must remain vigilant in our efforts to protect our children from tobacco. According to a report released by the Centers for Disease Control and Prevention, more than 5 million Americans under the age of 18 who smoke today will eventually die prematurely from smoking. The CDC estimates that today's teen smokers will run up an estimated \$200 billion in projected health care costs from tobacco-related illnesses. Their premature deaths will cut approximately 64 million years off the lives of Americans.

That's why my administration has taken tough, unprecedented action to stop advertising and marketing of cigarettes that can persuade teenagers to smoke. We're banning tobacco advertising on billboards near schools, ending cartoon characters in ads that children will likely see, restricting the cigarette machines that make it easier for children to illegally buy cigarettes.

The CDC report shows that when parents, teachers, doctors, and government work together we can stop people from smoking. The CDC studied two States that have put in place strong antismoking initiatives, California and Massachusetts. Both now have smoking rates lower than the national average, and both have seen smoking drop dramatically—15 percent in California and 20 percent in Massachusetts.

These reports tell all of us, keep up the fight to protect our children's health. It's worth it, and it works. We've worked so hard here to warn our children about the dangers of drugs, to tell them drugs are illegal, drugs can kill them, drugs can ruin their lives. We've worked hard to protect funding for safe and drug-free schools so the community can help parents. We must not weaken in this fight to protect our children from the dangers of tobacco.

We also have a duty to protect our families from the consequences of alcohol abuse. In the last year alone, 2,200 young people between the ages of 15 and 20 died in alcohol-related car crashes. We've worked hard to keep our children away from alcohol. Just last month I issued a rule telling the States they could lose some of their Federal highway funds if they did not make it illegal for anyone under 21 to drive with alcohol in their blood—zero tolerance.

Now the American liquor industry has made a decision that will make this hard work even harder. For a half-century now, liquor companies have agreed not to advertise their products on television and radio for the simple reason that it was the right thing to do. This week, however, the liquor industry announced it would break its ban and put liquor ads on the air, exposing our children to such ads before they know how to handle alcohol or are legally allowed to do so. That is simply irresponsible.

I commend the four major broadcast networks for saying they'll continue to honor the ban and keep liquor ads off the air. I urge all other broadcasters to follow that example. Parents have a hard enough time raising good kids these days, and all of us have a responsibility to help them to make those jobs easier, not harder.

To tobacco companies we should all say, "Sell your products to adults, but draw the line on kids." And to liquor companies we should say, "You were right for the last 50 years when you didn't advertise on television. You're wrong to change your policy now. This is no time to turn back. Get back on the ban." That's the best way to protect all our families.

Our goal must be to help parents pass on their values to their children, help our children act responsibly, and teach them to take charge of their own lives. If we do this, America's days—best days are still ahead.

Thanks for listening.

NOTE: The address was recorded at 5:30 p.m. on November 8 in Oval Office at the White House for broadcast at 10:06 a.m. on November 9.

**Remarks at a Veterans Day
Ceremony in Arlington National
Cemetery, Virginia**
November 11, 1996

Thank you. Thank you very much, Secretary Brown, for your introduction and for the service that you, Deputy Secretary Goyer, and all of the men and women of the Department of Veterans Affairs render to our Nation every day. I thank Commander Zweiman for his remarkable address this morning, and I congratulate him on the 100th anniversary of the Jewish War Veterans of America. Thank you, sir.

To the distinguished leaders of our veterans' organizations; all the veterans who are here; the Gold Star mothers; the Gold Star wives; Major General Foley; all the members of the Cabinet who are here; the Joint Chiefs; the men and women in uniform, their families, and my fellow Americans.

Today on this hallowed hillside and all across our great land, we pay tribute to the service and sacrifice of our veterans, all those who followed our flag in war and peace, those who gave their lives, and those who came home. Each of us owes to all of them a debt we can never fully repay. The inscription on the Korean war memorial says, "Freedom is not free." For more than two centuries, our armed services have defended our freedom and made our Nation a beacon of hope for the world.

I'd like to take a moment in this special time for Americans to recognize the special contribution that one American veteran in particular has made to our Nation. Bob Dole was a 21-year-old 2d lieutenant serving in the Po Valley of Italy when a German shell struck him down in battle. He would bear the burden of his severe injury from that day forward for the rest of his life. But he refused to withdraw from the world and instead dedicated his life to serving the American people. I ask all of you here now to join me in applauding his remarkable record of achievement and patriotism to America. *[Applause]*

Today we thank God that America is at peace, but our freedom still comes at a cost. It depends upon the untiring efforts of the one and a half million men and women in our Armed Forces who defend our Nation,

protect our interests, advance our ideals: keeping the peace in Bosnia, enforcing the no-fly zone in Iraq, standing watch over the DMZ on the Korean Peninsula, promoting stability and peace in Haiti. And beyond the headlines and hot spots, our service men and women are working every day, from Diego Garcia to Guam, to keep our forces strong and our readiness razor-sharp. Standing tall with them are the Guard and the Reserves, whose citizen soldiers proudly trace their lineage all the way back to the colonial Minutemen.

All those who serve our Nation deserve our strongest support. They must have the best training, the finest equipment, access to the newest technologies. And those who do go into battle for our Nation must never be left behind. And so we continue to pursue the fullest possible accounting for those Americans who are still missing.

Those who serve in uniform deserve every chance to build good lives as private citizens. And so we must offer our veterans and their families every opportunity to live their dreams, helping them to improve their educations, find good jobs, buy homes, protect their health.

This commitment extends to pursuing answers and providing relief for Gulf war veterans with unexplained illnesses. This issue was first brought to my attention by the First Lady as she traveled across America and veterans and their family members came up and talked to her of their personal experiences. Last year, I appointed an independent Presidential advisory commission to address the health concerns of Persian Gulf veterans, their spouses and children. This commission will report its findings by year's end.

I want to assure all of you that we will leave no stone unturned in our efforts to investigate these cases and to provide our Gulf war veterans with the medical care they need. Tens of thousands of examinations have been performed; 26,000 determinations of disability have been made. There are many research projects now underway. There are mysteries still unanswered, and we must do more. But the United States will not forget the people who have served us, and we will discharge our obligations to those who served in the Persian Gulf.

Today we remember and honor the past service of America's veterans. And today we renew our commitment to meet the challenges of America's future for which they gave so much. Almost two centuries ago, Daniel Webster said in his dedication of the monument at Bunker Hill, "There remains to us a great duty of defense and preservation. And there is open to us, also, a noble pursuit to which the spirit of the times strongly invites us."

My fellow Americans, on the brink of a new century, we stand before broad new vistas of hope and progress. But if we are to realize our hopes for that future, we must ensure that America remains the world's strongest force for peace and freedom, for security and prosperity. We must strengthen and expand the alliances that have brought us thus far. We must continue to reduce the threat posed by weapons of mass destruction. We must confront the violent conflicts rooted in ethnic, religious, and racial hatreds that so bedevil the world today. We must stop the global scourges of organized crime, drug trafficking, and especially terrorism. We must build an open trading system for the 21st century, and we must stand with all those who stand for democracy and universal human rights.

I cannot help but note on this day that in our time, for the first time in the entire history of humanity on this planet, more than half the world's people live in democratically elected governments because of the example and the force and the power of the ideas of America and the sacrifice of America's veterans.

Let me also say that, as we meet the challenges of the next century, our unity as a people will be, as it has ever been, our greatest strength. The silent white rows of crosses that surround us mark the final resting place of men and women of all services, all ranks, all races, all religions. They stand as stunning evidence that our Founders were right: We are all equal in the eyes of God. That is something we must continue to practice until we get it right. It is something we must teach our children, and it is something we must continue to teach to those troubled areas of the rest of the world where people still insist on killing over their differences.

Our American veterans buried here came from different walks of life. They served our Nation in different places and in different ways. Yet all were united by love of country, belief in freedom and opportunity and responsibility, and their faith in America's future. As we commemorate this day of reverence and respect, let us also remember this unity of spirit that has guided our Nation forward from its beginnings. No words can repay the debt of gratitude we owe to the men and women who have stood up for our freedom, but we can honor the memory of our veterans best by remaining the best kind of Americans we can be and keeping our Nation strong and secure, one Nation under God, to fulfill the vision of a better world that so many of them, our veterans, gave so much to create.

Thank you, and God bless America.

NOTE: The President spoke at 11:30 a.m. in Arlington, VA. In his remarks, he referred to Robert Zweiman, national commander, Jewish War Veterans of the USA, and Maj. Gen. Robert F. Foley, USA, Commanding General, U.S. Army Military District of Washington.

Proclamation 6953—National Family Caregivers Week, 1996

November 11, 1996

By the President of the United States of America

A Proclamation

At this special time each year, we give thanks for our many blessings. Among those blessings are the quiet but heartfelt contributions made on a daily basis by our Nation's caregivers, particularly on behalf of the elderly in our society.

The true value of the role that caregivers play in the lives of America's families is immeasurable. Providing physical comfort and emotional reassurance, these strong and selfless people care for loved ones who can no longer care for themselves. The vast majority of caregivers are family members—often older relatives—and women provide most of the informal care that their families receive. Of the millions of people who provide informal care to older adults, over half are spouses

or children. While many caregivers experience stress and frustration in fulfilling their caregiving responsibilities, and many sacrifice personal opportunities to care for a loved one, most regard the challenges of caregiving as a rewarding and satisfying experience.

By the year 2030, one in five Americans will be at least 65 years old, compared to one in eight today. In addition, the number of older Americans will double, from the present 34 million to about 69 million. At the same time that our population is aging, more older persons are suffering from chronic illnesses and face potentially disabling conditions. Moreover, individuals with lifelong disabilities are living longer and may require assistance in caring for themselves as they age. The overwhelming majority of older Americans would prefer to remain in their homes while growing older—even when no coordinated system of home- and community-based care is available. As a result, more Americans are becoming involved in caring for family members who want to age with dignity and respect.

This week, as we celebrate the contributions of caregivers to their families and communities, let us recognize the challenges these generous individuals must confront on a daily basis—challenges that include fulfilling multiple and often conflicting roles of caregiving for their aging relatives, caring for young children, and working outside their homes. Let us promote community programs and encourage workplace policies that help to lighten or share the burden of their caregiving responsibilities. And let us, as a Nation, recognize and commend the vital role they play in ensuring that older Americans age with grace, dignity, and a precious measure of independence.

Now, Therefore, I, William J. Clinton, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim November 24 through November 30, 1996, as National Family Caregivers Week. I call upon Government officials, businesses, communities, volunteers, educators, and all the people of the United States to acknowledge the contribu-

tions made by caregivers this week and throughout the year.

In Witness Whereof, I have hereunto set my hand this eleventh day of November, in the year of our Lord nineteen hundred and ninety-six, and of the Independence of the United States of America the two hundred and twenty-first.

William J. Clinton

[Filed with the Office of the Federal Register, 8:45 a.m., November 13, 1996]

NOTE: This proclamation was published in the *Federal Register* on November 14.

Proclamation 6954—Thanksgiving Day, 1996

November 11, 1996

By the President of the United States of America

A Proclamation

America's oldest tradition, Thanksgiving is also a reaffirmation of our most deeply held values; a public recognition that, in the words of Thomas Jefferson, "God who gave us life gave us liberty." In gratitude for God's gift of freedom and "for all the great and various favors which he hath been pleased to confer upon us," George Washington made Thanksgiving his first proclamation for the new Nation, and it is one we are privileged to renew each year.

Much has changed for America in the two centuries since that first Thanksgiving proclamation. Generations of hardworking men and women have cultivated our soil and worked the land, and today America's bounty helps feed the world. The promise of freedom that sustained our founders through the hardships of the Revolution and the first challenging days of nationhood has become a reality for millions of immigrants who left their homelands for a new life on these shores. And the light of that freedom now shines brightly in many nations that once lived in the shadows of tyranny and oppression.

But across the years, we still share an unbroken bond with the men and women who first proclaimed Thanksgiving in our land.

Americans today still cherish the fresh air of freedom, in which we can raise our families and worship God as we choose without fear of persecution. We still rejoice in this great land and in the civil and religious liberty it offers to all. And we still—and always—raise our voices in prayer to God, thanking Him in humility for the countless blessings He has bestowed on our Nation and our people.

Let us now, this Thanksgiving Day, re-awaken ourselves and our neighbors and our communities to the genius of our founders in daring to build the world's first constitutional democracy on the foundation of trust and thanks to God. Out of our right and proper rejoicing on Thanksgiving Day, let us give our own thanks to God and reaffirm our love of family, neighbor, and community. Each of us can be an instrument of blessing to those we touch this Thanksgiving Day—and every day of the year.

Now, Therefore, I, William J. Clinton, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim Thursday, November 28, 1996, as a National Day of Thanksgiving. I encourage all the people of the United States to assemble in their homes, places of worship, or community centers to share the spirit of goodwill and prayer; to express heartfelt gratitude for the blessings of life; and to reach out in friendship to our brothers and sisters in the larger family of mankind.

In Witness Whereof, I have hereunto set my hand this eleventh day of November, in the year of our Lord nineteen hundred and ninety-six, and of the Independence of the United States of America the two hundred and twenty-first.

William J. Clinton

[Filed with the Office of the Federal Register, 11:03 a.m., November 13, 1996]

NOTE: This proclamation was released by the Office of the Press Secretary on November 12, and it was published in the *Federal Register* on November 14.

Remarks on Signing the Omnibus Parks and Public Lands Management Act of 1996 and an Exchange With Reporters

November 12, 1996

The President. Thank you very much. Thank you, Mr. Vice President, and to the members of the administration and especially to the large delegation of Members of Congress who are here from both parties. I thank you all for coming and for creating this legislation which will protect and expand the treasure of our national parks.

This legislation affirms our solemn commitment to say, from one end of our Nation to the other, we will be good stewards of the land that God has given us. This bill will create or improve almost 120 parks, trails, rivers, historical sites in 41 of our 50 States. It turns the Presidio, a former military post in San Francisco, into a sanctuary of nature and history by establishing a nonprofit trust to manage the Presidio's property. It gives us a blueprint for national parks that one day will be able to sustain themselves without Government funds. I thank Senators Boxer and Feinstein and Representative Pelosi for their work on this.

The legislation preserves the Sterling Forest on the New York-New Jersey border. This new park, just 40 miles from New York City, will put nature within reach of millions of families of all backgrounds. It will safeguard a watershed that provides clean drinking water for the people of New Jersey. It will show that a forest that was left for dead a century ago can be brought back to life and protected today. I thank Senator Bradley and Senator-elect Torricelli and Representative Hinchey especially for their work on this.

The legislation will establish the Tallgrass Prairie National Preserve in Kansas. Four hundred thousand square miles of this prairie covered our continent when Lewis and Clark made their great journey. Today, only a tiny fraction of it remains. This bill will help to restore 11,000 acres of this uniquely American landscape with its 9-foot-tall grass and rich plant and animal life. I'm pleased to say that it will also give the State of Kansas its very first national park. I thank Senator Kassebaum especially for her work on this,

as well as Secretary Glickman, who supported this project when he was a Member of Congress.

The legislation does much more. It establishes the Selma to Montgomery National Historic Trail in Alabama, the 54-mile stretch of road that Dr. Martin Luther King walked in 1965 to remind Americans of how far we had to travel to live up to our ideals of equality and justice for all. And I thank, especially, the man who walked a lot of those miles with Dr. King, Congressman John Lewis, for his leadership in that regard.

This bill also gives us the resources to upgrade housing for Park Service employees. Many of these dedicated public servants have been spending their winters living in 30-year-old trailers that were supposed to last only one summer. That's going to change. I must say that one of the more rewarding aspects of being President has been visiting our national parks and getting to know the people who get up every day and put on the National Park Service uniform. It is amazing, the level of talent, training, and commitment those people bring to this job and the sacrifices, financial and other, that they're willing to accept to do the work that they love. But they deserve a better deal. And for the service they do to us, I thank the Congress for providing decent housing to them.

I'm also proud of what this bill does not do. It no longer contains provisions that would have taken land away from Virginia's Shenandoah and Richmond Battlefield Parks. It does not open the Sequoia National Park in California or the Red Rock region of Utah to development that I believe would be destructive.

I also want to say, finally, that I hope we can see more legislation like this in the next 4 years. This bill is a model of how we ought to work together. This bill had strong Republican support; it had strong Democratic support. We said we were going to put our national treasures beyond partisan politics and put the people of America, their future, and their environment above that. And I was very gratified by it, and I want to say again to the Members here and to those who are not here who played a leading role in this legislation, it is a model of how democracy ought to work.

So now I want to sign the bill. I want to say that I ask Congress to continue to work with me in this same spirit, to protect the environment, to strengthen the community right-to-know protections, to toughen punishment for polluters, to clean up two-thirds of the existing toxic waste sites by the year 2000. We can meet these challenges if we work together in the future, as we did to pass this terrific piece of legislation.

Thank you very much.

[At this point, the President signed the bill.]

Second Term Transition

Q. Mr. President, how close are you to naming a new Secretary of State, and will former Senator George Mitchell be the nominee?

The President. I haven't made a decision. I'm working on it. I'm working on a lot of appointments now, and I will do it when I'm ready to do it. It's a very important decision.

Bipartisanship

Q. Mr. President, what will you say to the congressional leaders, especially the Republicans, when you meet with them this afternoon to encourage this idea of bipartisanship?

The President. Well, I think the first thing I'd like to do is to—it'll be the first chance I have to thank them in a room together for what happened in the last 6 or 8 weeks of the last Congress, where you had Senator Kassebaum and Senator Kennedy's bill pass, a number of some other health reform legislation passed. We had the minimum wage, small business pension, adoption tax credit legislation passed, the welfare reform legislation. It was a remarkable period of incredibly productive legislation, and that shows what we can do when we work together. And I would just encourage us to do that, beginning with balancing the budget and the campaign finance reform. But there are lots of other things we have to do.

So, basically, today I just want to reaffirm my commitment to try to re-create that spirit and keep it going.

Health Care Reform

Q. Sir, Senator Lott, in particular, has said he would like what amounts to almost an ad-

mission from you and from the Democrats that using words like “cut,” “slash,” “wreck,” referring to Medicare in the ads was, as they put it, demagoguery and unfair. They want you to set the record straight, so to speak. Will you cooperate?

The President. Well, I didn’t read what he said exactly in that way. I think the—what we objected to, I don’t think that it was going to come back again anyway. The \$270 billion option is not there and no longer needed, which is one of the problems with our budgeting process. You know, the inflation rate in health care has come down so much because of the increase in competition and efficiency that no one any longer believes that we need to do that again, I don’t believe.

So the question is whether we can basically take up where we left off, where the differences between us were smaller. And I think that’s just the—we’ll just have to talk about how to do that.

Senator Lott, to be fair to him, has got to have time to meet with—he’s got some new Members. He’s got to have time to meet with his caucus to develop a strategy. But I think we’ll—I think we’ll be working together on this. I certainly hope we will.

Q. Mr. President, do you have any views on—

Bipartisanship

Q. Wasn’t this remarkable period really driven by the fact that there was an election coming up and that Republicans didn’t want to be perceived—

The President. It does—[inaudible]—compared to mine. It may have been driven by that. But the point is, the people ratified what was done, you know. There is no way to read the election results as they came out as a repudiation of the last 2 months of the last Congress. It clearly has to be seen as a ratification of the last 2 months of the last Congress and what was done.

And so it shouldn’t take—you know, I’m not always as quick on the uptake as I ought to be, but it shouldn’t take me another year and a half to figure that out. I have a fresh memory of what happened, and I think that’s the way the Members will receive it, as well.

Q. Trent Lott says the first move is up to you on Medicare. Are you ready to make the first move?

The President. Under the rules, I have to present a budget, and I’m certainly prepared to present a budget. But in the end, we will still have to reconcile. You know, we don’t want to get into that—I don’t agree with every characterization that was put on our economic program in 1993; I think that’s why we’re in the shape we’re in today. We’ve got that interest rate down, went forward. But there’s no point in us going back and litigating what we thought of each other’s programs that we didn’t agree with. We need to focus on how we can reach agreement now.

We’re in this boat together and we have to paddle it together. And that’s what the American people want. We’ve got to remember that the American people are in the boat with us, and we’re not nearly as important as they are and their future. And so it’s time for us to each pick up our paddle and row. And I think that’s what we’ll wind up doing.

Balanced Budget Amendment

Q. Mr. President, would you consider supporting a balanced budget amendment, given the change in the Republican Senate?

The President. Do I expect the Congress to support it?

Q. Well, no. Would you consider supporting it, given the change in the Senate now?

The President. You know, my problems with it always were—you know, I lived under one as a Governor, and we produced 12 balanced budgets, and I’m trying to get back to a balanced budget system here.

My problems with a constitutional amendment were always more a question of how to manage the larger economic problems of the country. The Nation’s budget is different from a State, and I just want to make sure that if we have one, it needs to be clear in terms of how—and it needs to really give us the possibility of dealing with a recession. You don’t want to wind up with a Congress someday in a recession raising taxes or throwing unemployed people off health care because they’re trying to get to a balanced budget. Then you could actually wind up making the deficit worse.

If it sets a framework and says that in the 21st century in the economy we're going to be living in, other things being equal, we ought always to be balancing our books, I agree with that. I just don't think you—we may tie our hands more than we will achieve. So what I'm going to focus my energies on is getting the balanced budget. I don't have a vote in the Congress. My voice counts, presumably, but I don't have a vote. But I do have the responsibility to help the American people get the balanced budget, and that's what I'm going to focus my energies on.

Q. So you don't reject the amendment out of hand?

The President. Well, what I—I don't believe we need it, and it can't be an excuse—for a long time I was afraid it would be an excuse to throw the burden on somebody else, by the Congress, because by definition you have to have it down the road. It takes awhile to ratify. But my belief is that you—I don't believe that we need it, but if we have it, it ought to be able to be implemented in a way that actually works and gives the country what it needs to manage a recession because, you know, we won't always have—someday down the road we'll have another bad patch in the economy. I mean, we just know that's going to happen.

You know, you don't have—no one has a total trouble-free life; no country has a trouble-free economy. Someday down the road—and we just don't want an amendment to wind up making our recession worse and causing us to do things that are counterproductive that you would never do in a recession. In a recession you would never raise taxes, and you wouldn't throw people who are unemployed through no fault of their own off of health care eligibility because you were trying to balance the budget.

So that's the only thing I'm—if the escape hatch is good, then we'll manage it the best way we can. The American people—we're a very practical people. We'll find a way to deal with the amendment if the amendment—the thing I want us to do is, if you look at this global economy, look how much more economic activity was generated in America when we lowered the deficit and lowered interest rates, and it totally overwhelmed the contractionary effects of reducing the deficit

by holding spending down. And we would be better off in this kind of economy always targeting a balanced budget unless there is a substantial recession, in which case we don't want to raise taxes on people when they don't have as much money as they should anyway. That's what I'm worried about.

So that's why I'm telling you I'm going to be working on putting a balanced budget in there. If we get it, if we can get the Congress to pass a plan that will achieve that, we'll have the desired economic effect, short term and long term, and then whatever happens with the amendment will happen.

Q. Thank you, Mr. President.

The President. Thank you.

NOTE: The President spoke at 10:18 a.m. in the Oval Office at the White House. H.R. 4236, approved November 12, was assigned Public Law No. 104-333.

Statement on Signing the Omnibus Parks and Public Lands Management Act of 1996

November 12, 1996

Today I have signed into law H.R. 4236, the "Omnibus Parks and Public Lands Management Act of 1996," a comprehensive bill addressing the management of the Nation's invaluable national parks, forests, and other natural resources.

I am pleased the Congress passed this legislation with bipartisan support in both Houses and has removed numerous provisions to which my Administration strongly objected.

The Act will create or improve almost 120 national parks, trails, rivers, or historical sites in 41 of our States. As President Teddy Roosevelt said: "[t]he nation behaves well if it treats the natural resources as assets which it must turn over to the next generation increased, not impaired, in value." This Act will help ensure that we follow that advice and protect for the next generation some of our most valuable natural and historical resources.

One of the most important provisions that my Administration supported would improve the management of the Presidio in San Francisco. This military post, dating from 1776,

includes both beautiful open spaces appropriate for National Park Service management and hundreds of unused buildings requiring a more innovative approach. This Act establishes a government corporation, known as the Presidio Trust, to refurbish and lease these buildings quickly and efficiently, but in a manner consistent with overall park management requirements.

Another laudable provision authorizes appropriations of \$17.5 million to help the New York-New Jersey Palisades Interstate Park Commission to acquire lands within the Sterling Forest Reserve, just 40 miles from midtown Manhattan. This is one of the last areas of pristine forest in the Northeast and the area is critical for supplying safe drinking water to northern New Jersey.

I am also pleased that the Act establishes the Tallgrass Prairie National Preserve in Kansas. The North American Continent was once covered by over 400,000 square miles of tallgrass prairie. Today, less than 1 percent remains. This Act will help to restore 11,000 acres of tallgrass prairie, an ecosystem of grass as tall as 9 feet, and includes trees, flowers, birds and other wildlife. This ecosystem is nationally significant and the Preserve is a welcome addition to the National Park System.

My Administration supports many other provisions in this omnibus legislation, including designation of 10 separate nonfederal national heritage areas in Virginia, West Virginia, Tennessee, Georgia, Pennsylvania, Massachusetts, South Carolina, Iowa, Ohio, and New York. Other provisions would help to preserve the Nation's cultural heritage by authorizing memorials, protecting historic areas, designating the Selma to Montgomery National Historic Trail in Alabama, and authorizing the establishment of a Martin Luther King, Jr., memorial in the District of Columbia.

This Act also includes scores of park boundary adjustments, land exchanges, and provisions to assist agencies in protecting national parks, forests, and public lands.

At the same time, the bill deletes almost all of the provisions of the earlier conference agreement that my Administration had found objectionable. These provisions include those that would have adversely affected the

Tongass National Forest in Alaska, the Shenandoah National Park and Richmond Battlefields National Park in Virginia, the Sequoia National Park in California, and other national parks and Federal lands. Unfortunately, the Act still includes a few objectionable provisions. Among them is a provision that changes the status of about 70 acres of fragile land that was previously protected as part of the Coastal Barrier Resources System. Prior to my signing of the Act this land could only be developed at private expense. Now, this land will be eligible for Federal development subsidies in the form of infrastructure funding and flood insurance. The taxpayer should not bear the risk of development in these damage-prone areas, and my Administration will strongly resist any similar legislative efforts in the future. In addition, several provisions exempt specific land transactions from environmental laws. Where these provisions allow, my Administration will work to complete the transactions in full compliance with our environmental laws.

I must also note that two sections of the Act require careful construction and application to avoid violating the Appointments Clause of the Constitution. First, to avoid an unconstitutional limitation on the President's power to appoint officers, I will regard the limitations on my ability to make appointments to the Board of Directors of the Presidio Trust as advisory. The second issue involves officers of the National Park Service (NPS). To avoid an unconstitutional congressional removal of an officer, I will not construe the Act to require that the current NPS Director be subjected to the new appointment process established by the bill. Further, appointments to the NPS Deputy Director positions created by the Act must be made in a manner consistent with the Appointments Clause in order for them to exercise significant governmental authority.

As I said on September 29th following House passage of this legislation, this is not a perfect bill. But overall, the Act represents a significant step forward in the conservation and management of our national parks and other Federal lands for the benefit of this and future generations.

I am pleased to sign H.R. 4236 into law.

William J. Clinton

The White House,
November 12, 1996.

NOTE: H.R. 4236, approved November 12, was assigned Public Law No. 104-333.

**Notice—Continuation of Emergency
Regarding Weapons of Mass
Destruction**

November 12, 1996

On November 14, 1994, by Executive Order 12938, I declared a national emergency with respect to the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States posed by the proliferation of nuclear, biological, and chemical weapons ("weapons of mass destruction") and the means of delivering such weapons. Because the proliferation of weapons of mass destruction and the means of delivering them continues to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, the national emergency declared on November 14, 1994, and extended on November 14, 1995, must continue in effect beyond November 14, 1996. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing the national emergency declared in Executive Order 12938.

This notice shall be published in the *Federal Register* and transmitted to the Congress.

William J. Clinton

The White House,
November 12, 1996.

[Filed with the Office of the Federal Register, 11:35 a.m., November 12, 1996]

NOTE: This notice was published in the *Federal Register* on November 13.

**Letter to Congressional Leaders on
Weapons of Mass Destruction**

November 12, 1996

Dear Mr. Speaker: (Dear Mr. President:)

On November 14, 1994, in light of the dangers of the proliferation of nuclear, biological, and chemical weapons ("weapons of mass destruction"—(WMD)) and of the means of delivering such weapons, I issued Executive Order 12938, and declared a national emergency under the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*). Under section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), the national emergency terminates on the anniversary date of its declaration, unless I publish in the *Federal Register* and transmit to the Congress a notice of its continuation.

The proliferation of weapons of mass destruction continues to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. Therefore, I am hereby advising the Congress that the national emergency declared on November 14, 1994, and extended on November 14, 1995, must continue in effect beyond November 14, 1996. Accordingly, I have extended the national emergency declared in Executive Order 12938 and have sent the attached notice of extension to the *Federal Register* for publication.

The following report is made pursuant to section 204 of the International Emergency Economic Powers Act (50 U.S.C. 1703) and section 401(c) of the National Emergencies Act (50 U.S.C. 1641(c)), regarding activities taken and money spent pursuant to the emergency declaration. Additional information on nuclear, missile, and/or chemical and biological weapons (CBW) nonproliferation efforts is contained in the most recent annual Report on the Proliferation of Missiles and Essential Components of Nuclear, Biological and Chemical Weapons, provided to the Congress pursuant to section 1097 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190), also known as the "Nonproliferation Report," and the most recent annual report provided to the Congress pursuant to section 308 of the Chemical and Biological Weapons Con-

trol and Warfare Elimination Act of 1991 (Public Law 102-182).

During the last 6 months, the three export control regulations issued under the Enhanced Proliferation Control Initiative (EPCI) remained fully in force and continue to be applied in order to control the export of items with potential use in chemical or biological weapons or unmanned delivery systems for weapons of mass destruction.

The threat of chemical weapons is one of the most pressing security challenges of the post-Cold War era. With bipartisan support from the Congress, the United States has long been a leader in the international fight against the spread of chemical weapons. Democrats and Republicans have worked hard together to strengthen our security by concluding the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction (the Chemical Weapons Convention or CWC).

The CWC bans an entire class of weapons of mass destruction. It is both an arms control and a nonproliferation treaty that requires total elimination of chemical weapons stocks, prohibits chemical weapons-related activities, bans assistance for such activities and bars trade with non-Parties in certain relevant chemicals. This treaty denies us no option we would otherwise wish to exercise and is a critical instrument in our global fight against the spread of chemical weapons.

The CWC provides concrete measures that will raise the costs and risks of engaging in chemical weapons-related activities. The CWC's declaration and inspection requirements will improve our knowledge of possible chemical weapons activities, whether conducted by countries or terrorists. The treaty's provisions constitute the most comprehensive and intrusive verification regime ever negotiated, covering virtually every aspect of a chemical weapons program, from development through production and stockpiling. These provisions provide for access to declared and undeclared facilities and locations, thus making clandestine chemical weapons production and stockpiling more difficult, more risky and more expensive.

Countries that refuse to join the CWC will be politically isolated and banned from trad-

ing with States Parties in certain key chemicals. Indeed, major chemical industry groups have testified before the Senate that our companies stand to lose millions of dollars in international sales if the United States is not a State Party when the treaty enters into force.

That could happen if we fail to ratify the CWC promptly. It is nearly four years since the Bush Administration signed the Convention and three years since this Administration submitted the CWC to the Senate for its advice and consent. All our major NATO allies have deposited their instruments of ratification, as have all other G-7 members. The CWC will enter into force 180 days after it has been ratified by 65 countries. By mid-October 1996, 64 of the 160 signatory countries had done so. It therefore seems likely the CWC will enter into force as early as April 1997.

Further delay in securing U.S. ratification of this vital treaty serves only the interests of proliferators and terrorists. Delay may well also endanger the international competitiveness of the chemical industry, one of our largest exporters. In the interim, pressures are increasing in unstable regions to acquire and use chemical weapons. We need to ratify this convention urgently to strengthen our own security, affirm our leadership in nonproliferation and to protect our chemical industry. Ratification must be a top priority of the new Congress in early 1997.

During the reporting period, the United States continued to be active in the work of the CWC Preparatory Commission (PrepCom) in The Hague. The Prepcom is developing the vital technical and administrative procedures for implementation of the CWC through a strong organization to ensure compliance when the convention enters into force.

The United States is working hard with the international community to end the threat from another terrible category of weapons of mass destruction—biological weapons. We are an active member of the Ad Hoc Group striving to create a legally binding instrument to strengthen the effectiveness and improve the implementation of the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biologi-

cal) and Toxin Weapons and on Their Destruction (The Biological Weapons Convention or BWC). The Ad Hoc Group was mandated by the September 1994 BWC Special Conference. The Group held meetings in July and September with the goal of preparing for the late November 1996 Fourth BWC Review Conference. Concluding a new BWC protocol is high on our list of nonproliferation goals. We should aim to complete such a protocol by 1998.

The United States continues to be a leader in the Australia Group (AG) chemical and biological weapons nonproliferation regime. The United States supported the entry of the Republic of Korea (South Korea)—a country with an important chemical industry—into the AG. The ROK became the group's 30th member in late September—a tribute to the continuing international recognition of the importance of the Group's effort in nonproliferation and to the commitment of the ROK to that goal.

The United States attended the AG's annual plenary session from October 14–17, 1996, during which the Group continued to focus on strengthening AG export controls and sharing information to address the threat of CBW terrorism. At the behest of the United States, the AG first began in-depth discussion of terrorism during the 1995 plenary session following the Tokyo subway nerve gas attack earlier that year.

The Group also reaffirmed the members' collective belief that full adherence to the CWC and the BWC will be the best way to achieve permanent global elimination of CBW, and that all states adhering to these Conventions have an obligation to ensure that their national activities support this goal.

Australia Group participants continue to ensure that all relevant national measures promote the object and purposes of the BWC and CWC, and will be fully consistent with the CWC upon its entry into force. The AG believes that national export licensing policies on chemical weapons-related items fulfill the obligation established under Article I of the CWC that States Parties never assist, in any way, the acquisition of chemical weapons. Inasmuch as these measures are focused solely on preventing activities banned under the CWC, they are consistent with the under-

taking in Article XI of the CWC to facilitate the fullest possible exchange of chemical materials and related information for purposes not prohibited by the CWC.

The AG also agreed to continue its active program of briefings for non-AG countries, and to promote regional consultations on export controls and nonproliferation to further awareness and understanding of national policies in these areas.

During the last year, the United States imposed chemical weapons proliferation sanctions on one individual. On November 17, 1995, sanctions were imposed under the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 on Russian citizen Anatoliy Kuntsevich for knowingly providing material assistance to a foreign chemical weapons program.

The United States carefully controlled exports that could contribute to unmanned delivery systems for weapons of mass destruction, exercising restraint in considering all such proposed transfers consistent with the Guidelines of the Missile Technology Control Regime (MTCR). In May 1996, the United States imposed missile technology proliferation sanctions against two entities in Iran and one entity in North Korea for transfers involving Category II MTCR Annex items.

MTCR Partners continued to share information about proliferation problems with each other and with other potential supplier, consumer, and transshipment states. Partners also emphasized the need for implementing effective export control systems. This cooperation has resulted in the interdiction of missile-related materials intended for use in missile programs of concern.

The United States worked unilaterally and in coordination with its MTCR Partners to combat missile proliferation and to encourage non-members to export responsibly and to adhere to the MTCR Guidelines. Since my last report, we have continued our missile nonproliferation dialogue with the Republic of Korea and Ukraine. In the course of normal diplomatic relations, we also have pursued such discussions with other countries in Central Europe, the Middle East, and Asia.

In June 1996, the United States was an active participant in discussions at the MTCR's Reinforced Point of Contact Meeting on Regional Missile Proliferation Issues. This meeting resulted in an in-depth discussion of regional missile proliferation concerns and actions the Partners could take, individually and collectively, to address the specific concerns raised by missile proliferation in regions of tensions.

In July 1996, the MTCR held a Seminar on Transshipment Issues. The Seminar was held in Washington and hosted by the United States on behalf of the Regime. It brought together foreign policy makers and experts from twelve MTCR Partner countries and seven non-MTCR countries for the first joint discussion of ways to address the proliferation threat posed by transshipment. The seminar was successful in focusing attention on the transshipment problem and fostered a productive exchange of ideas on how to impede proliferators' misuse of transshipment. Seminar participants also identified several areas for possible follow-up, which the United States pursued at the 1996 Edinburgh MTCR Plenary.

The MTCR held its Eleventh Plenary Meeting at Edinburgh, Scotland, October 7–11. At the Plenary, the MTCR Partners reaffirmed their commitment to controlling exports to prevent proliferation of delivery systems for weapons of mass destruction. They also reiterated their readiness for international cooperation in peaceful space activities that could not contribute to WMD delivery systems.

The MTCR Partners also were supportive of U.S. initiatives to follow up on the success of the June 1996 Reinforced Point of Contact Meeting on the regional aspects of missile proliferation and the July 1996 Seminar on transshipment issues. The Partners undertook to be proactive in encouraging key non-Partner transshippers to adhere to the MTCR Guidelines and Annex, and in providing them with practical assistance in implementing transshipment controls on missile technology. The Partners also agreed on steps they could take to enhance the MTCR's effectiveness in impending missile proliferation in South Asia and the Persian Gulf. Finally, the MTCR Partners agreed to increase

the transparency of Regime aims and activities, and to continue their efforts to develop a dialogue with countries outside the Regime to encourage voluntary adherence to the MTCR Guidelines and heightened awareness of missile proliferation risks.

We also continued vigorous pursuit of our nuclear nonproliferation goals. In May 1995, Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) agreed at the NPT Review and Extension Conference to extend the NPT indefinitely and without conditions. Since the conference, more nations have acceded to the treaty. There now are more than 180 parties, making the NPT nearly universal.

In a truly historic landmark in our efforts to curb the spread of nuclear weapons, the 50th UN General Assembly on September 10, 1996, adopted and called for signature of the Comprehensive Nuclear Test Ban Treaty (CTBT) negotiated over the past two and a half years in the Conference on Disarmament in Geneva. The overwhelming passage of this UN resolution (158–3–5) demonstrates the CTBT's strong international support and marks a major success for United States foreign policy. On September 24, I and other national leaders signed the CTBT in New York.

The United States played a leading role in promoting the negotiation of this agreement by declaring a moratorium on nuclear testing in 1992 and calling on all the other declared nuclear weapons states to enact their own moratoria, and by announcing in August of 1995 our support for a complete ban on all tests no matter how small their nuclear yield—a so-called “zero-yield” CTBT. The United States also insisted on an effective verification regime to ensure that the treaty enhances rather than reduces the security of its adherents.

The CTBT will serve several United States national security interests in banning all nuclear explosions. It will constrain the development and qualitative improvement of nuclear weapons; end the development of advanced new types of nuclear weapons; contribute to the prevention of nuclear proliferation and the process of nuclear disarmament; and strengthen international peace and security. The CTBT marks an historic milestone

in our drive to reduce the nuclear threat and to build a safer world.

The Nuclear Suppliers Group (NSG) continues efforts to upgrade control lists and export control procedures. By October 1996, NSG members confirmed their agreement to clarifications to the nuclear trigger list to accord with trigger list changes agreed to by the members of the NPT Exporters (Zangger) Committee. The NSG also is actively pursuing steps to enhance the transparency of the export regime in accordance with the call in Principles 16 and 17 of the 1995 NPT Review and Extension Conference. The NSG is also continuing efforts to enhance information sharing among members regarding the nuclear programs of proliferant countries.

NSG membership increased to 34 with acceptance of Brazil, the Republic of Korea and Ukraine at the 1996 Buenos Aires Plenary. Members continued contacts with Belarus, China, Kazakstan and Lithuania regarding NSG activities and guidelines. The ultimate goal of the NSG is to obtain the agreement of all suppliers, including nations not members of the regime, to control nuclear and nuclear-related exports in accordance with the NSG guidelines.

Pursuant to section 401(c) of the National Emergencies Act (50 U.S.C. 1641(c)), I report that there were no expenses directly attributable to the exercise of authorities conferred by the declaration of the national emergency in Executive Order 12938 during the period from May 14, 1996, through November 14, 1996.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate.

Memorandum on Jordan

November 12, 1996

Presidential Determination No. 97-4

Memorandum for the Secretary of State

Subject: Designation of Jordan as a Major Non-NATO Ally

I hereby designate the Hashemite Kingdom of Jordan a major non-NATO ally of the United States pursuant to section 517 of the Foreign Assistance Act of 1961, as amended, for the purposes of the Foreign Assistance Act of 1961, as amended, and the Arms Export Control Act.

You are authorized and directed to publish this determination in the *Federal Register*.

William J. Clinton

NOTE: This memorandum was released by the Office of the Press Secretary on November 13.

Proclamation 6955—To Provide Duty-Free Treatment to Products of the West Bank and the Gaza Strip and Qualifying Industrial Zones

November 13, 1996

By the President of the United States of America

A Proclamation

1. Section 9(a) of the United States-Israel Free Trade Area Implementation Act of 1985, as amended (the "Act") (19 U.S.C. 2112 note), authorizes the President to proclaim elimination or modification of any existing duty under certain conditions as the President determines is necessary to exempt any article of the West Bank or Gaza Strip or a qualifying industrial zone from duty.

2. Section 9(c) of the Act authorizes the President to proclaim that articles of Israel may be treated as though they were articles directly shipped from Israel for the purposes of the U.S.-Israel Free Trade Agreement (the "Agreement") even if shipped to the

United States from the West Bank, the Gaza Strip, or a qualifying industrial zone, if the articles otherwise meet the requirements of the Agreement.

3. Section 9(d) of the Act authorizes the President to proclaim that the cost or value of materials produced in the West Bank, the Gaza Strip, or a qualifying industrial zone may be included in the cost or value of materials produced in Israel under section 1(c)(i) of Annex 3 of the Agreement, and the direct costs of processing operations performed in the West Bank, the Gaza Strip, or a qualifying industrial zone may be included in the direct costs of processing operations performed in Israel under section 1(c)(ii) of Annex 3 of the Agreement.

4. Section 9(e) of the Act authorizes the President to specify areas that constitute qualifying industrial zones for purposes of the Act.

5. Pursuant to section 9(a) of the Act, I have determined that the Harmonized Tariff Schedule of the United States (HTS) should be modified to provide duty-free entry to qualifying articles that are the product of the West Bank or Gaza Strip or a qualifying industrial zone and are entered in accordance with the provisions of section 9 of the Act.

6. I have decided that articles of Israel may be treated as though they were articles directly shipped from Israel for the purposes of the Agreement even if shipped to the United States from the West Bank, the Gaza Strip, or a qualifying industrial zone, if the articles otherwise meet the requirements of the Agreement.

7. I have decided that the cost or value of materials produced in the West Bank, the Gaza Strip, or a qualifying industrial zone may be included in the cost or value of materials produced in Israel under section 1(c)(i) of Annex 3 of the Agreement, and the direct costs of processing operations performed in the West Bank, the Gaza Strip, or a qualifying industrial zone may be included in the direct costs of processing operations performed in Israel under section 1(c)(ii) of Annex 3 of the Agreement.

8. Section 604 of the Trade Act of 1974 (19 U.S.C. 2483) authorizes the President to embody in the HTS the substance of the provisions of that Act, and of other acts affecting import treatment, and actions thereunder.

Now, Therefore, I, William J. Clinton, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States, including but not limited to section 301 of title 3, United States Code, section 9 of the Act (19 U.S.C. 2112 note), and section 604 of the Trade Act of 1974 (19 U.S.C. 2483), do proclaim that:

(1) In order to provide the tariff treatment being accorded under the Act, the HTS is modified as set forth in the Annex to this proclamation.

(2) I delegate to the United States Trade Representative the powers granted to me in section 9(e) of the Act to specify through notice in the *Federal Register* areas constituting qualifying industrial zones.

(3) The modifications to the HTS made by the Annex shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on and after the third day after the date of publication of this proclamation in the *Federal Register*.

(4) All provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

In Witness Whereof, I have hereunto set my hand this thirteenth day of November, in the year of our Lord nineteen hundred and ninety-six, and of the Independence of the United States of America the two hundred and twenty-first.

William J. Clinton

[Filed with the Office of the Federal Register, 8:45 a.m., November 15, 1996]

NOTE: This proclamation was released by the Office of the Press Secretary on November 14, and it was published in the *Federal Register* on November 18.

**Executive Order 13025—
Amendment to Executive Order
13010, the President's Commission
on Critical Infrastructure Protection
November 13, 1996**

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to amend Executive Order 13010, it is hereby ordered as follows:

Section 1. The first sentence of section 1(a) of Executive Order 13010 shall read "A qualified individual from outside the Federal Government shall be designated by the President from among the members to serve as Chair of the Commission."

Sec. 2. The second and third sentences of section 3 of Executive Order 13010 shall read "The Steering Committee shall comprise five members. Four of the members shall be appointed by the President, and the fifth member shall be the Chair of the Commission. Two of the members of the Committee shall be employees of the Executive Office of the President."

Sec. 3. The first sentence of section 5 of Executive Order 13010 shall be amended by deleting "ten" and inserting "15" in lieu thereof.

William J. Clinton

The White House,
November 13, 1996.

[Filed with the Office of the Federal Register, 8:45 a.m., November 15, 1996]

NOTE: This Executive order was released by the Office of the Press Secretary on November 14, and it was published in the *Federal Register* on November 18.

**Statement on the Death of Joseph
Cardinal Bernardin
November 14, 1996**

Hillary and I were deeply saddened to learn of the death last night of Joseph Cardinal Bernardin, the Archbishop of Chicago, one of our Nation's most beloved men and one of Catholicism's great leaders.

Hillary and I loved and admired Cardinal Bernardin very much. In my conversation

with him yesterday, I had the opportunity to remind Cardinal Bernardin of our deep feeling for him and of our admiration for his life's work. I am grateful today that I had that opportunity. Our conversation reminded me of the strength, grace, and dignity with which he lived his life on Earth and with which he prepared to leave this life for the next.

Throughout his life, Cardinal Bernardin devoted himself to bringing out the best in humanity and to bringing together those who were divided. He fought tirelessly against social injustice, poverty, and ignorance. As I said in September when I had the honor of presenting Cardinal Bernardin with the Medal of Freedom, Cardinal Bernardin was both a remarkable man of God and a man of the people.

Both in life and in death, he taught us the important lessons of community, caring, and common ground. To quote the Archbishop himself from one of his last public appearances on October 24 of this year: "A dying person does not have time for the peripheral or the accidental. He or she is drawn to the essential, the important. And what is important is that we find that unity with the Lord and within the community of faith for which Jesus prayed so fervently on the night before he died. To say it quite boldly, it is wrong to waste the precious gift of time given to us on acrimony and division."

**Statement on the Resignation of
Assistant Attorney General for Civil
Rights Deval Patrick
November 14, 1996**

It was with regret that I accepted today the resignation of Deval Patrick, Assistant Attorney General for Civil Rights at the Department of Justice, who has decided to return to private life. Throughout his tenure, Deval was one of my closest and most trusted advisers in the area of civil rights. He brought to his job a love of his country and an unflagging commitment to equal opportunity for all Americans.

The country will miss his able service, but we can all be proud of the many accomplishments he leaves behind, including his work at the forefront of my administration's effort

to reform affirmative action programs in Federal procurement. Deval took to heart my admonition to mend affirmative action, not end it. The intelligence and sensitivity he brought to this difficult job has paid off with solid results.

Another hallmark of his tenure was his stewardship of the interagency task force created to investigate the rash of fires threatening our Nation's places of worship. Deval was instrumental in leading the fight to protect these institutions and to bring perpetrators of the burnings to justice.

I will always appreciate the sacrifice Deval's wife, Diane, and their children made so that Deval could provide this service to his country.

Letter to Congressional Leaders on Iran

November 14, 1996

Dear Mr. Speaker: (Dear Mr. President:)

I hereby report to the Congress on developments since the last Presidential report of May 16, 1996, concerning the national emergency with respect to Iran that was declared in Executive Order 12170 of November 14, 1979. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c). This report covers events through September 16, 1996. My last report, dated May 16, 1996, covered events through March 1, 1996.

1. The Iranian Assets Control Regulations, 31 CFR Part 535 (IACR), were amended on August 22, 1996, to add the Anti-terrorism and Effective Death Penalty Act of 1996 (Public Law 104-132; 110 Stat. 1214-1319 (the "Antiterrorism Act")) as an authority for the Regulations (61 Fed. Reg. 43460, August 23, 1996). On April 24, 1996, I signed into law the Antiterrorism Act. Section 321 of the Antiterrorism Act (18 U.S.C. 2332d) makes it a criminal offense for United States persons, except as provided in regulations issued by the Secretary of the Treasury in consultation with the Secretary of State, to engage in a financial transaction with the governments of countries designated under section 6(j) of the Export Administration Act (50

U.S.C. App. 2405) as supporting international terrorism. United States persons who engage in such transactions shall be fined under title 18, United States Code, or imprisoned for up to 10 years, or both. Because the IACR already prohibited such transactions with minor exceptions found to be in the public interest, no substantive change to the prohibitions of the IACR was necessary. A copy of the amendment is attached.

2. The Iran-United States Claims Tribunal (the "Tribunal"), established at The Hague pursuant to the Algiers Accords, continues to make progress in arbitrating the claims before it. Since the period covered in my last report, the Tribunal has rendered additional awards, in which the claims of dual nationals were dismissed for lack of jurisdiction. This brings the total number of awards rendered to 571, the majority of which have been in favor of U.S. claimants. As of September 16, 1996, the value of awards to successful U.S. claimants from the Security Account held by the NV Settlement Bank was \$2,376,010,041.91.

On July 24, 1996, Iran directed the transfer of \$37,700,000 to the Security Account, established by the Algiers Accords to ensure payment of awards to successful U.S. claimants, from the Interest Account. However, the Security Account has remained continuously below the \$500 million balance required by the Algiers Accords since November 12, 1992. As of September 23, 1996, the total amount in the Security Account was \$233,070,127.71, and the total amount in the Interest Account was \$5,494,387.30.

Therefore, the United States continues to pursue Case A/28, filed in September 1993, to require Iran to meet its obligations under the Algiers Accords to replenish the Security Account. Iran filed its Statement of Defense in that case on August 30, 1995, and the United States filed a Reply on December 4, 1995. Iran is scheduled to file its Rejoinder on December 4, 1996.

The United States also continues to pursue Case A/29, filed in July 1994, to require Iran to meet its obligations under the Algiers Accords to pay its equal share of advances for Tribunal expenses when directed to do so by the Tribunal. Iran filed its Statement of De-

fense on July 5, 1996. The United States filed its Reply on October 11, 1996.

3. The Department of State continues to present other United States Government claims against Iran and to respond to claims brought against the United States by Iran, in coordination with concerned government agencies.

In May 1996, the United States filed comments in response to a Tribunal inquiry whether experts meetings could facilitate the resolution of the United States Request to Dismiss Certain Claims from Case B/61, filed in August 1995 as part of the United States consolidated submission on the merits of that case. The United States stated that experts meetings were inadvisable. Case B/61 involves a claim by Iran for compensation with respect to primarily military equipment that Iran had sought to purchase or have repaired under commercial contracts with more than 50 private American companies, but that Iran alleges it did not receive. Iran alleges that it suffered direct losses and consequential damages in excess of \$2 billion because of the United States Government refusal to allow the export of the equipment after January 19, 1981, in alleged contravention of the Algiers Accords. Iran's rebuttal of the United States consolidated submission in Case B/61 is due December 9, 1996.

On May 6, 1996, in connection with Cases A/4, A/7, and A/15 (I: F and III), Iran requested that the Tribunal order the United States to terminate its leases of two former diplomatic properties of Iran to its current tenants. The United States responded by submitting comments to the Tribunal on May 31, 1996. The Tribunal has not yet issued a decision on Iran's request. A hearing of these cases has remained postponed by the parties' mutual agreement and under Tribunal order since October 11, 1994.

On May 10, 1996, Iran made a request for interim measures in Cases A/15(IV) and A/24, brought against the United States for its alleged failure to terminate litigation in U.S. courts in violation of the Algiers Accords. Iran requested that the Tribunal order the United States to stay the McKesson-OPIC litigation against Iran in U.S. district court. On June 20, 1996, after briefing by both parties, the Tribunal denied Iran's re-

quest for interim measures. The parties await the Tribunal's award on the merits of the cases, which were heard more than a year ago before the Full Tribunal.

On June 27, 1996, in connection with Case B/1, the United States renewed a request for a Tribunal order directing Iran to produce seized United States Government documents and suspending the proceedings until Iran complies with the order. In this renewal of the pending request, the United States identified nine exhibits recently submitted to the Tribunal by Iran that appeared to have been seized from U.S. facilities in Iran.

The United States pointed out to the Tribunal that Iran had previously informed the Tribunal on several occasions that the Iranian government does not possess any of the documents that were once stored in the U.S. facilities in Iran. Iran submitted a response to the Tribunal on September 5, 1995, asserting that the documents were handed over to Iranian representatives in the normal course of the Foreign Military sales program operations.

In August 1996, Iran filed a Statement of Claim in a new case, number A/30, alleging that the United States has violated paragraphs 1 and 10 of the General Declaration of the Algiers Accords. Iran bases its claim, *inter alia*, on press statements about an alleged covert action program aimed at Iran and U.S. economic sanctions, including the Iran-Libya Sanctions Act of 1996. The United States is currently preparing its Statement of Defense in response to Iran's claim.

In Case A/11, Iran alleges that the United States violated the Algiers Accords by failing to assist Iran in obtaining the return of the Shah's assets. The Department of State is currently in the process of preparing the United States Hearing Memorial, which is due to be filed on December 13, 1996.

Under the procedures established by the settlement reached February 22, 1996, on which I reported previously, the United States has begun to pay *ex gratia* amounts to the survivors of Iranian victims of the July 3, 1988, shootdown of Iran Air 655. As of the closing day for this report, 34 beneficiaries representing 12 of the deceased passengers had received payments totaling \$2,850,000.00. Under the terms of the settle-

ment, no money will be paid to the Government of Iran.

4. Since my last report, the Tribunal conducted hearings in two cases involving U.S. nationals, considered dual U.S.-Iranian nationals by the Tribunal. On May 16, 1996, Chamber Three held a one-day hearing in Claim No. 266, *Aryeh v. The Islamic Republic of Iran*, which involves the alleged expropriation by Iran of claimant's property in Iran. On June 12-14, 1996, Chamber Two held a hearing in Claim No. 953, *Hakim v. The Islamic Republic of Iran*, another claim for the expropriation of property in Iran.

In August 1996, the United States submitted a brief on behalf of private dual national claimants in a proceeding before Chamber One of the Tribunal. The United States argued that the Tribunal erred in a previous decision when it denied a dual national's claim on the ground that the claimant had acquired his property in his capacity as an Iranian national. The brief takes issue with the rationale of the Tribunal's decision and urges the Tribunal not to extend this approach to the other pending dual national cases.

5. The situation reviewed above continues to implicate important diplomatic, financial, and legal interests of the United States and its nationals and presents an unusual challenge to the national security and foreign policy of the United States. The Iranian Assets Control Regulations issued pursuant to Executive Order 12170 continue to play an important role in structuring our relationship with Iran and in enabling the United States to implement properly the Algiers Accords. I shall continue to exercise the powers at my disposal to deal with these problems and will continue to report periodically to the Congress on significant developments.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate. This item was released by the Office of the Press Secretary on November 15.

Remarks Announcing Participation in Missions in Bosnia and Zaire and an Exchange With Reporters

November 15, 1996

The President. Good morning. One year ago in Dayton, the leaders of Bosnia, Croatia, and Serbia turned from the horror of war to the promise of peace. Their historic decision came after nearly 4 years of horrible bloodshed, the bloodiest conflict Europe has seen since World War II, after a quarter million deaths, after 2 million people were made refugees, after countless atrocities that shocked the conscience of the world.

When the Balkan leaders chose peace, I asked the American people to help them by supporting the participation of our troops in a NATO-led implementation force to secure the Dayton Agreement. I promised that the mission would be carefully defined with clear and realistic goals. I said it would be completed in about a year.

IFOR has succeeded beyond our expectations. As a result, its mission will end as planned on December 20th, and every single item on IFOR's military checklist has been accomplished. It has maintained the ceasefire and separated the parties along a new demilitarized zone. It has monitored the placement of thousands of heavy weapons in holding areas, overseen a massive troop demobilization and the transfer of hundreds of square miles of territory from one side to another, and allowed the people of Bosnia to vote in free national elections.

That has been a remarkable achievement. In the process we have seen how important and effective the NATO Alliance remains. And we have seen the possibilities for cooperation with Russia and the other members of the Partnership For Peace. Today, the Bosnian people are far better off than they were a year ago; their prospects for a future of peace and freedom are much brighter.

Already, the change in the day-to-day lives of the people there is dramatic: marketplaces are full of life, not death; more people have roofs over their head, food on their tables, heat and hot water. The routines of normal life—going to work, coming home from school—are slowly becoming a reality.

Bosnia's bitter harvest of hatred, however, has not yet disappeared.

For the last 12 months, the killing has stopped, and with time, the habits of peace can take hold. This success we owe to IFOR. But its achievements on the military side have not been matched, despite all our efforts, by similar progress on the civilian side. Quite frankly, rebuilding the fabric of Bosnia's economic and political life is taking longer than anticipated.

Economic activity is only just resuming. Its pace must be quickened and its reach extended. The Presidency, the Parliament, the constitutional court, created by the elections, are still in their infancy. They need time to work. Civilian police forces must be better trained. We must complete training and equipping the Bosnian Federation military so that a stable balance of power can take hold and renewed aggression is less likely. And municipal elections remain to be organized and held. Let me emphasize that the Bosnian people, with the help of international civilian groups, will be responsible for all this work. But for a time, they will need the stability and the confidence that only an outside security force can provide.

NATO has been studying options to give them the help that time will provide by providing a new security presence in Bosnia when IFOR withdraws. That study is now complete. I have carefully reviewed its options, and I have decided to instruct the United States representative to NATO to inform our allies that, in principle, the United States will take part in a follow-on force in Bosnia.

For my agreement in principle to become a commitment, however, I must be satisfied that the final recommendation NATO adopts and the operational plan it develops are clear, limited, and achievable. The new mission's focus should be to prevent a resumption of hostilities so that economic reconstruction and political reconciliation can accelerate. That will require a strong but limited military presence in Bosnia, able to respond quickly and decisively to any violations of the cease-fire.

The new mission will be more limited than IFOR and will require fewer troops. It will not face the fundamental military challenge of separating two hostile armies, because

IFOR has accomplished that task. It will be charged with working to maintain the stability that IFOR created. It will discourage the parties from taking up arms again, while encouraging them to resume full responsibility for their own security as quickly as possible.

IFOR plowed the field in which the seeds of peace have been planted. This new mission will provide the climate for them to take root and the time to begin growing.

Our military planners have concluded that this new mission will require fewer than half the number of troops we contributed to IFOR, about 8,500. There will be an American commander and tough rules of engagement. Every 6 months we will review whether the stability can be maintained with fewer forces. By the end of 1997, we expect to draw down to a much smaller deterrent force, about half the initial size, and we will propose to our NATO Allies that by June of 1998 the mission's work should be done, and the forces should be able to withdraw.

The United States cannot and should not try to solve every problem in the world, but where our interests are clear and our values are at stake, where we can make a difference, we must act, and we must lead. Clearly, Bosnia is such an example. Every American should be proud of the difference the United States has already made in Bosnia, ending a terrible slaughter, saving thousands of lives, securing countless futures. We have a responsibility to see that commitment through, to give the peace America helped to make in Bosnia a chance to grow strong, self-sufficient, and lasting.

Earlier this week, I also decided that, in principle, the United States should take part in an international humanitarian effort to be part of a release force that Canada will lead in Zaire. Two years ago, following genocide in Rwanda, more than a million Rwandans fled for Zaire. Recently their plight has worsened as fighting among militant forces has driven them from their camps. Violence has begun to spiral out of control, preventing relief agencies from providing food and medicine to the refugees who are now vulnerable to starvation and to disease. The world's most powerful nation must not turn its back on so many desperate people and so many innocent children who are now at risk.

The mission Canada proposes to lead, and that I believe America should take part in, would provide security for civilian relief agencies to deliver the aid these people must have and to help the refugees who so desire to return home to Rwanda.

America's contribution to such a force would match our special capabilities, such as providing security at the Goma airfield and helping to airlift Allied forces. Neither the new security force in Bosnia nor the humanitarian relief effort in Zaire will be free of risk. But I will do everything in my power to minimize the risks by making sure both missions are clear and achievable before I give the green light. American leadership places a special burden on the men and women of our Armed Forces and their families. We ask a lot from them, and without fail, they deliver for us.

Now, as we contemplate calling on them again I ask us, first of all, to remember the astonishing job that they have done, remarkably free of violence in Bosnia. And I ask that every American keep them in their thoughts and prayers.

Timing of the Announcement

Q. Mr. President, what do you say to critics who say that you waited till after the election to make the announcement that you're sending troops abroad, or keeping troops in Bosnia?

The President. Well, I would say two things. First of all, it was well before the election that the NATO Allies in Europe most closely concerned with this came to us and said, we do not believe that the civilian and political and economic functions have developed to the point where there can be no security presence in Bosnia, even though IFOR has done everything it was asked to do. And I said that I would consider American participation if there were a clear mission with an achievable goal. And that was clear before the election.

But more importantly, I would say that the NATO ministers met and made their recommendation to me just last week. We needed some time to study it. I had a meeting last evening, quite an extensive one, with General Shalikhvili making the military case and with Secretary Christopher and Sec-

retary Perry. And the whole national security team met with the Vice President and me. We have done this in a timely fashion following the NATO timetable.

The most important thing the American people need to know is that mission succeeded; it did do what it was supposed to do in 12 months. But we, frankly—when I say “we,” I mean all the people involved in NATO—believed that we could make more economic and political progress than we were able to make. So, we believe there should be a new but much more limited mission simply to maintain the security that has been established and to maintain the conditions in which the political and economic progress can be made.

Q. Don't you think you should have laid this idea out, though, while you were campaigning so that people had a sense that part of what they got when they got your reelection was the extension of this mission?

The President. Well, I believe that they did believe that. Keep in mind, before the election it was said that the Europeans thought we ought to stay in a more limited way, and I said I would consider doing that. Frankly, I want to pay a compliment to Senator Dole—I think because he said, in a very statesmanlike way, that he would support doing that, that we had too big an investment in the success of the process—there was not a difference of opinion on it. So, that it did not—I think that it did not become more hotly debated in the campaign, and therefore it maybe wasn't focused on by as many people. But the issue was out there.

I couldn't agree and describe a mission that had not yet been developed by the NATO military planners or recommended to us. So, I would say that it maybe didn't get the attention that it otherwise would have gotten, and it may be because Senator Dole made what I thought was a very statesmanlike statement early on that, of course, if it had to be done, that he would agree.

Zaire Mission

Q. Mr. President, there are some reports of refugees in quite large numbers moving within Zaire back toward the Rwandan border and across, relief agencies in Rwanda saying that they have plenty of food and equip-

ment and so forth once they're back across the border; is there a chance, sir, that this mission may not be needed?

The President. Well, let me say we have some very good preliminary news about the prospects that the refugees will be able to go back to Rwanda, and then it may work out better than we had originally thought. But I would say first of all it is preliminary, and secondly—obviously, the dimensions of what has to be done could change based on the realities on the ground; we're watching it every day. I think we have to be prepared for the prospect that we will still have to have some presence there to facilitate this and to make sure that as quickly as possible we get everything that is needed to them.

I don't think we know enough yet, Brit [Brit Hume, ABC News], to say that the mission won't be needed. It's a hopeful sign, but that's all I can say right now.

Second Bosnia Mission

Q. Mr. President, on Bosnia, do you technically consider this to be a different mission, and will there be a wholesale change of forces over there?

The President. Yes, we are withdrawing the IFOR forces, and this is a different mission.

Q. American forces—I'm sorry.

The President. That's correct. This will be a different mission. And there will be some overlap there because, if you remember, the planning I think called for a phased drawdown that would run into early next year anyway. But we believe the size of this will be about 8,500—what will be required—and it will be different.

Second Term Transition

Q. Mr. President, you have your international policy team here standing with you, and we were led to believe, at least a little while ago, that you would be naming people rather quickly to that. That process seems to have slowed down. Can you tell us why?

The President. Yes. One of the things that all of the people who are here with me have said, including Secretary Perry and Secretary Christopher, and that a lot of people I have talked to about this, including people who might be a part of it and others, they have

reminded me that the thing that has really made our work as successful as it has been in so many ways is that we've had a remarkable amount of teamwork, remarkably free of rancor and remarkably free of the kind of undercutting that has too often happened in our national politics.

Several people have said if you have to take a little more time to feel good about the composition of the team you put together, by all means do it, because it is the team that will rise or fall and that will advance America's cause. And so I have been thinking, obviously with a lot of gratitude, of the level of teamwork we've had, the level of cooperation, how we've worked together. And what I concluded after talking about this extensively with the Vice President in particular is that we needed to make absolutely sure that we knew what the team was going to be.

Now let me also tell you that all of us on the transition team, the Vice President and Mr. Panetta and Mr. Bowles and all the rest of us, are working very hard. I have never worked any harder than I have in the days since the last election to make sure that we make the most of this transition. I need a little bit of vacation, and I hope those of you who are going with me will get a little one, too. But we will make timely appointments; they will be ready well in advance of the Congress beginning. And they will have adequate opportunity for the Senate to review them, and I think we will be in very good shape.

But the specific answer to your question is that I want to make sure that the team works.

Zaire

Q. We're told that one of the conditions for sending U.S. troops into Zaire as part of this humanitarian mission is that the U.S. gets some kind of assurances from these rival militias that they will cease their hostilities so American GI's don't have to shoot their way in. Is that really a realistic expectation, or do you suspect that there will be so much firepower that that will be sufficient to stop the hostilities?

The President. Well, I might ought to let Secretary Perry answer this question, but I'll take a crack at it.

We will have, as we always do, very tough rules of engagement if somebody takes action against us. It is having that kind of rules, that kind of strength—that's one of the reasons that we had the almost incredible experience we've had in Bosnia so far in terms of there not being conflict.

But on the other hand, when we send a mission in of peace like that, we don't believe that we should have to assume on the front end that we'll have to shoot our way in. So what we want to know is at least that there is a receptivity to our coming in there, all of us in the multinational force. We obviously understand if you've got a lot of people around there with guns, somebody might shoot at you, and you have to be able to shoot back. But that's different from having an official policy that if this international mission goes in, they're going to be considered an invading force and be subject to attack from the minute that the airplane lands. That's the difference, I think.

Do you think that—is a fair statement? Would you like to add to that?

Secretary of Defense Perry. That is exactly right. We require cooperation from the governments, because we do not want to make forced landings at the airport. On the other hand, the guerrilla forces that are located in that area, whatever they tell us, we want acquiescence. We do not expect to have any formal agreement from them or would not have any confidence they can carry out any formal agreement.

It is important, however, that both the Government of Rwanda and the Government of Zaire give us not only acquiescence but cooperation. We need that. They also have a lot of influence on those guerrilla forces. That's important.

The President. Thank you very much.

NOTE: The President spoke at 11:20 a.m. in the Briefing Room at the White House.

Memorandum on Encryption Export Policy

November 15, 1996

Memorandum for the Vice President, the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, the Attorney General, the Secretary of Commerce, United States Trade Representative, Director of the Office of Management and Budget, Chief of Staff to the President, Director of Central Intelligence, Director, Federal Bureau of Investigation, Director, National Security Agency, Assistant to the President for National Security Affairs, Assistant to the President for Economic Policy, Assistant to the President for Science and Technology Policy

Subject: Encryption Export Policy

Encryption products, when used outside the United States, can jeopardize our foreign policy and national security interests. Moreover, such products, when used by international criminal organizations, can threaten the safety of U.S. citizens here and abroad, as well as the safety of the citizens of other countries. The exportation of encryption products accordingly must be controlled to further U.S. foreign policy objectives, and promote our national security, including the protection of the safety of U.S. citizens abroad. Nonetheless, because of the increasingly widespread use of encryption products for the legitimate protection of the privacy of data and communications in nonmilitary contexts; because of the importance to U.S. economic interests of the market for encryption products; and because, pursuant to the terms set forth in the Executive order entitled Administration of Export Controls on Encryption Products (the "new Executive order") of November 15, 1996, Commerce Department controls of the export of such dual-use encryption products can be accomplished without compromising U.S. foreign policy objectives and national security interests, I have determined at this time not to

continue to designate such encryption products as defense articles on the United States Munitions List.

Accordingly, under the powers vested in me by the Constitution and the laws of the United States, I direct that:

1. Encryption products that presently are or would be designated in Category XIII of the United States Munitions List and regulated by the Department of State pursuant to the Arms Export Control Act (22 U.S.C. 2778 *et seq.*) shall be transferred to the Commerce Control List, and regulated by the Department of Commerce under the authority conferred in Executive Order 12924 of August 19, 1994 (as continued on August 15, 1995, and August 14, 1996), Executive Order 12981 of December 5, 1995, and the new Executive order except that encryption products specifically designed, developed, configured, adapted, or modified for military applications (including command, control, and intelligence applications), shall continue to be designated as defense articles, shall remain on the United States Munitions List, and shall continue to be controlled under the Arms Export Control Act. The transfer described in this paragraph shall be effective upon the issuance of final regulations (the "Final Regulations") implementing the safeguards specified in this directive and in the new Executive order.

2. The Final Regulations shall specify that the encryption products specified in section 1 of this memorandum shall be placed on the Commerce Control List administered by the Department of Commerce. The Department of Commerce shall, to the extent permitted by law, administer the export of such encryption products, including encryption software, pursuant to the requirements of sections 5 and 6 of the former Export Administration Act (50 U.S.C. App. 2405 and 2406), and the regulations thereunder, as continued in effect by Executive Order 12924 of August 19, 1994 (continued on August 15, 1995, and on August 14, 1996), except as otherwise indicated in or modified by the new Executive order, Executive Order 12981 of December 5, 1995, and any Executive orders and laws cited therein.

3. The Final Regulations shall provide that encryption products described in section 1

of this memorandum can be licensed for export only if the requirements of the controls of both sections 5 and 6 of the former Export Administration Act (50 U.S.C. App. 2405 and 2406), and the regulations thereunder, as modified by the new Executive order, Executive Order 12981 of December 5, 1995, and any Executive orders and laws cited therein, are satisfied. Consistent with section 742.1(f) of the current Export Administration Regulations, the Final Regulations shall ensure that a license for such a product will be issued only if an application can be and is approved under both section 5 and section 6. The controls on such products will apply to all destinations.

Except for those products transferred to the Commerce Control List prior to the effective date of the Final Regulations, exports and reexports of encryption products shall initially be subject to case-by-case review to ensure that export thereof would be consistent with U.S. foreign policy objectives and national security interests, including the safety of U.S. citizens. Consideration shall be given to more liberalized licensing treatment of each such individual product after inter-agency review is completed. The Final Regulations shall also effectuate all other specific objectives and directives set forth in this directive.

4. Because encryption source code can easily and mechanically be transformed into object code, and because export of such source code is controlled because of the code's functional capacity, rather than because of any "information" such code might convey, the Final Regulations shall specify that encryption source code shall be treated as an encryption product, and not as technical data or technology, for export licensing purposes.

5. All provisions in the Final Regulations regarding "*de minimis*" domestic content of items shall not apply with respect to the encryption products described in paragraph 1 of this memorandum.

6. The Final Regulations shall, in a manner consistent with section 16(5)(C) of the EAA, 50 U.S.C. App. 2415(5)(C), provide that it will constitute an export of encryption source code or object code software for a person to make such software available for transfer

outside the United States, over radio, electromagnetic, photooptical, or photoelectric communications facilities accessible to persons outside the United States, including transfer from electronic bulletin boards and Internet file transfer protocol sites, unless the party making the software available takes precautions adequate to prevent the unauthorized transfer of such code outside the United States.

7. Until the Final Regulations are issued, the Department of State shall continue to have authority to administer the export of encryption products described in section 1 of this memorandum as defense articles designated in Category XIII of the United States Munitions List, pursuant to the Arms Export Control Act.

8. Upon enactment of any legislation reauthorizing the administration of export controls, the Secretary of Defense, the Secretary of State, and the Attorney General shall reexamine whether adequate controls on encryption products can be maintained under the provisions of the new statute and advise the Secretary of Commerce of their conclusions as well as any recommendations for action. If adequate controls on encryption products cannot be maintained under a new statute, then such products shall, where consistent with law, be designated or redesignated as defense articles under 22 U.S.C. 2778(a)(1), to be placed on the United States Munitions List and controlled pursuant to the terms of the Arms Export Control Act and the International Traffic in Arms Regulations. Any disputes regarding the decision to designate or redesignate shall be resolved by the President.

William J. Clinton

**Executive Order 13026—
Administration of Export Controls on
Encryption Products
November 15, 1996**

By the authority vested in me as President by the Constitution and the laws of the United States of America, including but not limited to the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), and in order to take additional steps with re-

spect to the national emergency described and declared in Executive Order 12924 of August 19, 1994, and continued on August 15, 1995, and on August 14, 1996, I, William J. Clinton, President of the United States of America, have decided that the provisions set forth below shall apply to administration of the export control system maintained by the Export Administration Regulations, 15 CFR Part 730 *et seq.* ("the EAR"). Accordingly, it is hereby ordered as follows:

Section 1. Treatment of Encryption Products. In order to provide for appropriate controls on the export and foreign dissemination of encryption products, export controls of encryption products that are or would be, on this date, designated as defense articles in Category XIII of the United States Munitions List and regulated by the United States Department of State pursuant to the Arms Export Control Act, 22 U.S.C. 2778 *et seq.* ("the AECA"), but that subsequently are placed on the Commerce Control List in the EAR, shall be subject to the following conditions: (a) I have determined that the export of encryption products described in this section could harm national security and foreign policy interests even where comparable products are or appear to be available from sources outside the United States, and that facts and questions concerning the foreign availability of such encryption products cannot be made subject to public disclosure or judicial review without revealing or implicating classified information that could harm United States national security and foreign policy interests. Accordingly, sections 4(c) and 6(h)(2)–(4) of the Export Administration Act of 1979 ("the EAA"), 50 U.S.C. App. 2403(c) and 2405(h)(2)–(4), as amended and as continued in effect by Executive Order 12924 of August 19, 1994, and by notices of August 15, 1995, and August 14, 1996, all other analogous provisions of the EAA relating to foreign availability, and the regulations in the EAR relating to such EAA provisions, shall not be applicable with respect to export controls on such encryption products. Notwithstanding this, the Secretary of Commerce ("Secretary") may, in his discretion, consider the foreign availability of comparable encryption products in determining whether to issue a license in a particular case

or to remove controls on particular products, but is not required to issue licenses in particular cases or to remove controls on particular products based on such consideration;

(b) Executive Order 12981, as amended by Executive Order 13020 of October 12, 1996, is further amended as follows:

(1) A new section 6 is added to read as follows:

“Sec. 6. Encryption Products. In conducting the license review described in section 1 above, with respect to export controls of encryption products that are or would be, on November 15, 1996, designated as defense articles in Category XIII of the United States Munitions List and regulated by the United States Department of State pursuant to the Arms Export Control Act, 22 U.S.C. 2778 *et seq.*, but that subsequently are placed on the Commerce Control List in the Export Administration Regulations, the Departments of State, Defense, Energy, and Justice and the Arms Control and Disarmament Agency shall have the opportunity to review any export license application submitted to the Department of Commerce. The Department of Justice shall, with respect to such encryption products, be a voting member of the Export Administration Review Board described in section 5(a)(1) of this order and of the Advisory Committee on Export Policy described in section 5(a)(2) of this order. The Department of Justice shall be a full member of the Operating Committee of the ACEP described in section 5(a)(3) of this order, and of any other committees and consultation groups reviewing export controls with respect to such encryption products.”

(2) Sections 6 and 7 of Executive Order 12981 of December 5, 1995, are renumbered as new sections 7 and 8, respectively.

(c) Because the export of encryption software, like the export of other encryption products described in this section, must be controlled because of such software's functional capacity, rather than because of any possible informational value of such software, such software shall not be considered or treated as “technology,” as that term is defined in section 16 of the EAA (50 U.S.C. App. 2415) and in the EAR (61 *Fed. Reg.* 12714, March 25, 1996);

(d) With respect to encryption products described in this section, the Secretary shall take such actions, including the promulgation of rules, regulations, and amendments thereto, as may be necessary to control the export of assistance (including training) to foreign persons in the same manner and to the same extent as the export of such assistance is controlled under the AECA, as amended by section 151 of Public Law 104-164;

(e) Appropriate controls on the export and foreign dissemination of encryption products described in this section may include, but are not limited to, measures that promote the use of strong encryption products and the development of a key recovery management infrastructure; and

(f) Regulation of encryption products described in this section shall be subject to such further conditions as the President may direct.

Sec. 2. Effective Date. The provisions described in section 1 shall take effect as soon as any encryption products described in section 1 are placed on the Commerce Control List in the EAR.

Sec. 3. Judicial Review. This order is intended only to improve the internal management of the executive branch and to ensure the implementation of appropriate controls on the export and foreign dissemination of encryption products. It is not intended to, and does not, create any rights to administrative or judicial review, or any other right or benefit or trust responsibility, substantive or procedural, enforceable by a party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

William J. Clinton

The White House,
November 15, 1996.

[Filed with the Office of the Federal Register,
8:45 a.m., November 18, 1996]

NOTE: This Executive order will be published in the *Federal Register* on November 19.

**Letter to Congressional Leaders on
Encryption Export Policy**

November 15, 1996

Dear Mr. Speaker: (Dear Mr. President:)

In order to take additional steps with respect to the national emergency described and declared in Executive Order 12924 of August 19, 1994, and continued on August 15, 1995, and August 14, 1996, necessitated by the expiration of the Export Administration Act (EAA) on August 20, 1994, I hereby report to the Congress that pursuant to section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(b) (the "Act"), I have today exercised the authority granted by the Act to issue an Executive order (a copy of which is attached) to revise the provisions that apply to the administration of the export control system maintained by Department of Commerce in the Export Administration Regulations, 15 CFR Part 730 *et seq.*

The new Executive order relates to my decision to transfer certain encryption products from the United States Munitions List administered by the Department of State to the Commerce Control List administered by the Department of Commerce. When I made that decision I also decided to amend Executive Order 12981 of December 5, 1995, which sets forth procedures for the inter-agency review and disposition of dual-use export license applications, to include the Department of Justice among the agencies that have the opportunity to review such applications with respect to encryption products transferred to Department of Commerce control.

Also, in issuing the new order, I provided for appropriate controls on the export and foreign dissemination of encryption products transferred to the Department of Commerce. Among other provisions, I determined that the export of encryption products transferred to Department of Commerce control could harm national security and foreign policy interests of the United States even where comparable products are or appear to be available from foreign sources. Accordingly, the new order makes clear that any EAA provision dealing with issuance of licenses or removal of controls based on for-

eign availability considerations shall not apply with respect to export controls on such encryption products. Notwithstanding this, the Secretary of Commerce retains the discretion to consider the foreign availability of comparable encryption products in any particular case.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate.

**Executive Order 13027—
Establishing an Emergency Board To
Investigate a Dispute Between the
Southeastern Pennsylvania
Transportation Authority and Its
Employees Represented by the
Brotherhood of Locomotive
Engineers**

November 15, 1996

A dispute exists between Southeastern Pennsylvania Transportation Authority and certain of its employees represented by the Brotherhood of Locomotive Engineers.

The dispute has not heretofore been adjusted under the provisions of the Railway Labor Act, as amended (45 U.S.C. 151 *et seq.*) (the "Act").

A party empowered by the Act has requested that the President establish a second emergency board pursuant to section 9A of the Act (45 U.S.C. 159a).

Section 9A(e) of the Act provides that the President, upon such request, shall appoint a second emergency board to investigate and report on the dispute.

Now, Therefore, by the authority vested in me as President, by the Constitution and the laws of the United States, including section 9A of the Act, it is hereby ordered as follows:

Section 1. Establishment of the Board. There is established effective 12:01 a.m., eastern standard time, on November 16, 1996, a board of three members to be appointed by the President to investigate this dispute. No member shall be pecuniarily or otherwise interested in any organization of

railroad employees or any carrier. The board shall perform its functions subject to the availability of funds.

Sec. 2. Report. Within 30 days after creation of the board, the parties to the dispute shall submit to the board final offers for settlement of the dispute. Within 30 days after submission of final offers for settlement of the dispute, the board shall submit a report to the President setting forth its selection of the most reasonable offer.

Sec. 3. Maintaining Conditions. As provided by section 9A(h) of the Act, from the time a request to establish a board is made until 60 days after the board makes its report, no change, except by agreement, shall be made by the parties in the conditions out of which the dispute arose.

Sec. 4. Records Maintenance. The records and files of the board are records of the Office of the President and upon the board's termination shall be maintained in the physical custody of the National Mediation Board.

Sec. 5. Expiration. The board shall terminate upon submission of the report provided for in section 2 of this order.

William J. Clinton

The White House,
November 15, 1996.

[Filed with the Office of the Federal Register, 8:45 a.m., November 19, 1996]

NOTE: This Executive order will be published in the *Federal Register* on November 20.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

November 11

In the morning, the President traveled to Arlington, VA. He returned to Washington, DC, in the afternoon.

November 12

In the afternoon, the President met with congressional leaders in the Oval Office to discuss bipartisan relations in the upcoming 105th Congress.

Later, the President held separate meetings with Agriculture Secretary Dan Glickman, Energy Secretary Hazel R. O'Leary, Labor Secretary Robert B. Reich, and Transportation Secretary Federico Peña concerning the second term transition.

The White House announced that the President welcomed the formation of a Special Advisory Committee to the Secretary of State on Religious Freedom Abroad.

November 13

In the morning, the President had telephone conversations with the following foreign leaders: Prime Minister Jean Chretien of Canada concerning the situation in Zaire; President Hosni Mubarak of Egypt and King Hussein I of Jordan concerning the Middle East peace process; President Kim Yong-sam of Korea concerning security issues on the Korean Peninsula; and President Fernando Cardoso of Brazil concerning the visit of Presidential Counselor Thomas F. (Mack) McLarty to follow up on Summit of the Americas agenda items.

The President announced the formation of the Presidential Inaugural Committee 1997 to organize the celebration of his inauguration to a second term. He also announced that Deputy Chief of Staff Harold Ickes will coordinate inaugural activities from the White House. The following persons will serve as vice chairs of the committee: Ronald Burkle, Linda Chavez-Thompson, Lawton Chiles, Beth Dozoretz, Gordon D. Giffin, Robert Johnson, Ellen Malcolm, Richard Leon Mays, Carol Pensky, Edward Rendell, Ed Romero, Fred Seigel, Stanley Shuman, Mary Elizabeth Teasely, and Jonathan Tisch.

November 14

In the morning, the President had a telephone conversation with Prime Minister Binyamin Netanyahu of Israel concerning the Middle East peace process. Later, the President had a telephone conversation with President Jacques Chirac of France concerning the situation in Zaire.

The President met with Acting U.S. Trade Representative Charlene Barshefsky, Health and Human Services Secretary Donna Shalala, and Education Secretary Richard Riley to discuss second term transition.

November 15

In the evening, the President and Hillary Clinton traveled to Honolulu, HI.

**Nominations
Submitted to the Senate**

NOTE: No nominations were submitted to the Senate during the period covered by this issue.

**Checklist
of White House Press Releases**

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released November 12

Transcript of a press briefing by Press Secretary Mike McCurry

Statement by Press Secretary Mike McCurry on the appointment of Rear Adm. Paul E. Busick as Special Assistant to the President and Senior Director for Gulf War Illnesses

Released November 13

Transcript of a press briefing by Press Secretary Mike McCurry

Statement by Press Secretary Mike McCurry on the potential humanitarian mission to eastern Zaire

Released November 14

Transcript of a press briefing by Press Secretary Mike McCurry

Transcript of a press briefing by Deputy National Security Adviser Samuel Berger and Deputy Assistant to the President for Economic Policy Daniel Tarullo on the President's upcoming visit to Australia, the Philippines, and Thailand

Released November 15

Statement by Press Secretary Mike McCurry on reports of the return of Rwandan refugees from Zaire

Statement by Press Secretary Mike McCurry on the establishment of Presidential Emergency Board No. 232

**Acts Approved
by the President**

Approved November 12

H.R. 4236 / Public Law 104-333
Omnibus Parks and Public Lands Management Act of 1996